

100-100000

MEMORANDUM FOR: Legislative Counsel

SUBJECT: S. 1580, To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government

REFERENCE: Letter to Chairman, Committee on Government Operations from ADCI dated 7 April 1955 concerning H.R. 4918

1. In accordance with your request, the subject bill has been reviewed to determine whether it is of interest to CIA activities and whether further action by your office is necessary.

2. The proposed bill amends Section 3 of the Travel Expense Act of 1949, as amended, to increase the per diem allowance from \$9 to \$13. It also amends Section 4 of the act to provide an increase in mileage rates for motorcycles and automobiles respectively from four and seven cents to six and ten cents.

3. The liberalization of per diem and mileage rates is considered desirable, and it is recommended that the Agency support the proposed bill in the same manner as H.R. 4918 is supported in the referenced letter.

STATINTL

Harrison G. Reynolds  
Director of Personnel

NOTICE OF PENDING LEGISLATION		DATE
		LEGISLATIVE BILL NO. H. R. 6295
SECTION I	GENERAL (5-1795 CB)	
TO :	FROM: LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	
THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:		
<input checked="" type="checkbox"/> SENT TO YOU FOR INFORMATION ONLY. <span style="float: right;"><i>other bills will pass</i></span>		
<input type="checkbox"/> A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION <input type="checkbox"/> IS <input checked="" type="checkbox"/> IS NOT PREDICTED.		
<input type="checkbox"/> SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.		
<div style="border: 1px solid black; padding: 5px;">       IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____     </div>		
SECTION II		COMMENTS (From Original Addressee)
TO : LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	FROM:	
17 May 1955		84/1
Mr. Fascell of Florida		
To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.		
Distribution:		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><i>1. Dir of Pub</i></p> <p><i>Bill as reported w/ report</i></p> <p><i>3. Dir of Pub</i></p> <p><i>2. Comp Trailer</i></p> <p><i>1. DDS - Lloyd</i></p> </div> <div style="width: 35%;"> <p><i>19 May</i></p> <p><i>5 Rpt 353</i></p> <p><i>Dist 23 May 55</i></p> <p><i>34 May 55</i></p> <p><i>House Rpt 604</i></p> <p><i>passed House</i></p> <p><i>20 June 55</i></p> <p><i>passed Senate</i></p> <p><i>22 June 55</i></p> <p><i>55 June 55</i></p> <p><i>55</i></p> <p><i>HRpt 1088</i></p> <p><i>H Hearing Dist</i></p> <p><i>20 July 55</i></p> </div> </div>		
DATE OF COMMENTS		EXTENSION

FOLD  
HEREFOLD  
HERE

STATINTL

84TH CONGRESS  
1ST SESSION

# H. R. 6295

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## IN THE HOUSE OF REPRESENTATIVES

MAY 17, 1955

Mr. FASCELL introduced the following bill; which was referred to the Committee on Government Operations

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## A BILL

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That section 3 of the Travel Expense Act of 1949 (63 Stat.
- 4 166, as amended; 5 U. S. C. 836) is further amended by
- 5 striking "\$9" and inserting in lieu thereof "\$13"; and by
- 6 striking the period at the end thereof and adding the follow-
- 7 ing additional proviso: "*: And provided further, That where*
- 8 *due to the unusual circumstances of a travel assignment*
- 9 *within the limits of the continental United States such maxi-*

1   mum per diem allowance would be much less than the amount  
2   required to meet the actual and necessary expenses of the  
3   trip, the heads of departments and establishments may, in  
4   accordance with regulations promulgated by the Director,  
5   Bureau of the Budget, pursuant to section 7, prescribe con-  
6   ditions under which reimbursement for such expenses may  
7   be authorized on an actual expense basis not to exceed a  
8   maximum amount to be specified in the travel authorization,  
9   but in any event not to exceed \$25.”.

10       SEC. 2. Section 5 of the Administrative Expenses Act  
11   of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by  
12   striking “\$10 per diem” and inserting in lieu thereof “\$15  
13   per diem within the limits of the continental United States  
14   and, beyond such limits, not to exceed the rates of per diem  
15   established by the Director of the Bureau of the Budget  
16   pursuant to section 3 of the Travel Expense Act of 1949, as  
17   amended (5 U. S. C. 836)”; and by striking the period at  
18   the end thereof and adding the following additional proviso:  
19   “: *And provided further*, That where due to the unusual  
20   circumstances of a travel assignment within the limits of the  
21   continental United States such maximum per diem allow-  
22   ance would be much less than the amount required to meet  
23   the actual and necessary expenses of the trip, the heads of  
24   departments and establishments may, in accordance with  
25   regulations promulgated by the Director, Bureau of the

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1 Budget, pursuant to section 7 of the Travel Expense Act of  
2 1949 as amended (5 U. S. C. 840) prescribe conditions  
3 under which reimbursement for such expenses may be author-  
4 ized on an actual expense basis not to exceed a maximum  
5 amount to be specified in the travel authorization, but in  
6 any event not to exceed \$25.”.

7 SEC. 3. The first sentence of section 1823 (a) of title  
8 28, United States Code, is amended by striking the portion  
9 “and if travel is made by privately owned automobile mile-  
10 age at a rate not to exceed 7 cents per mile, together with  
11 a per diem allowance not to exceed \$9 in lieu of subsistence”  
12 and inserting in lieu thereof “or, if travel is made by privately  
13 owned automobile, at a rate not to exceed that prescribed in  
14 section 4 of the Travel Expense Act of 1949, together with  
15 a per diem allowance in lieu of subsistence not to exceed the  
16 rates of per diem as described in, or established pursuant to,  
17 section 3 thereof”.

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84TH CONGRESS  
1ST SESSION

**H. R. 6295**

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**A BILL**

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

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By Mr. FASCELL

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MAY 17, 1955

Referred to the Committee on Government Operations

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**SECRET**

3. The Senate has passed a bill to raise per diem allowances for Government employees from a maximum of \$9.00 a day to a maximum of \$12.00 a day. The Administration proposal, as reported out by the Senate Committee on Post Office & Civil Service, called for a maximum of \$13.00 a day. However, the Majority Leader, Senator Johnson of Texas moved to have this reduced to \$12.00 because of the belief of Sen. Russell and himself that there should be a uniform per diem allowance, and the recently passed military pay bill authorized \$12.00 a day for military personnel.

**SECRET**

## NOTICE OF PENDING LEGISLATION

DATE

LEGISLATIVE BILL NO.

S. 1580

## SECTION I

## GENERAL

TO : DDS -    
 Comptroller  
 Director of Personnel

FROM: LEGISLATIVE COUNSEL  
 OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.

**In some form**

☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☒ IS ☐ IS NOT PREDICTED.

☒ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY \_\_\_\_\_.

FOLD  
HERE

FOLD  
HERE

## SECTION II

## COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL  
 OFFICE OF GENERAL COUNSEL

FROM: Comptroller

This bill is of interest and this Office desires Committee Reports.

WSP

STATINTL

DATE OF COMMENTS

11 April 1955

SIGNATURE AND TITLE

E. R. Saunders, Comptroller

EXTENSION

NOTICE OF PENDING LEGISLATION		DATE
		LEGISLATIVE BILL NO. S. 1580
SECTION I GENERAL		
TO :	FROM: LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	
THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:		
<input type="checkbox"/> SENT TO YOU FOR INFORMATION ONLY.		
<input type="checkbox"/> A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION <input checked="" type="checkbox"/> IS <input type="checkbox"/> IS NOT PREDICTED. <i>in some form</i>		
<input checked="" type="checkbox"/> SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.		
IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____		
SECTION II COMMENTS (From Original Addressee)		
TO : LEGISLATIVE COUNSEL OFFICE OF GENERAL COUNSEL	FROM:	
30 March 1955		84/1
Mr. Johnston of South Carolina		
To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.		
Distribution:		
<div style="display: flex; justify-content: space-between;"> <div> <p>1- DDS - Lloyd</p> <p>2- Comptroller</p> <p>2- Personnel</p> </div> <div> <p>6 April 55</p> <p>bill as rptd + spt</p> <p>348</p> <p>Dist 23 May 55</p> <p>passed Senate</p> <p>19 May 55</p> </div> </div>		
DATE OF COMMENTS	SIGNATURE AND TITLE	EXTENSION

Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

84TH CONGRESS  
1ST SESSION

# S. 1580

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## IN THE SENATE OF THE UNITED STATES

MARCH 30 (legislative day, MARCH 10), 1955

Mr. JOHNSTON of South Carolina introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

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## A BILL

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Travel Expense Act of  
4       1955".

5       SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C.  
6       836-837) is amended by striking the figure "\$9" and  
7       inserting "\$13" in lieu thereof.

8       SEC. 3. Section 4 of said Act is amended by striking  
9       the figures "4 cents" and "7 cents" and inserting "6 cents"  
10      and "10 cents", respectively, in lieu thereof.

11      SEC. 4. This Act shall take effect no later than thirty  
12      days following its enactment.

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Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

84TH CONGRESS  
1ST SESSION

**S. 1580**

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**A BILL**

To regulate subsistence expenses and mileage  
allowances of civilian officers and employees  
of the Federal Government.

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By Mr. JOHNSTON of South Carolina

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MARCH 30 (legislative day, MARCH 10), 1955  
Read twice and referred to the Committee on Post  
Office and Civil Service

Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

MEMORANDUM FOR: Legislative Counsel

SUBJECT: S. 1795, To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

REFERENCES: a. Memorandum for Legislative Counsel from Director of Personnel, subject: H.R. 4918, dated 29 March 1955  
b. Letter to Chairman, Committee on Government Operations from ADCI dated 7 April 1955 concerning H.R. 4918

1. In accordance with your request, the subject bill has been reviewed to determine whether it is of interest to CIA activities and whether further action by your office is necessary.

2. The proposed bill would amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance from \$9 to \$13 for civilian officers and employees, and would amend section 5 of the Administrative Expenses Act of 1946 to provide an increased maximum per diem allowance from \$10 to \$15 for intermittent consultants and experts. The bill also authorizes heads of departments and establishments to prescribe, in accordance with regulations promulgated by the Director, Bureau of the Budget, conditions under which advance reimbursement for such expenses may be made on an actual expense basis, not to exceed a maximum amount specified in the travel authorization.

3. The liberalization of per diem allowances and travel expenses is considered desirable, and it is recommended that the Agency support the proposed bill, just as H.R. 4918 was supported in the letter referenced in b, above.



Harrison G. Reynolds  
Director of Personnel

STATINTL

Handwritten initials, possibly 'WR', in the bottom right corner of the page.



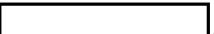
## NOTICE OF PENDING LEGISLATION

LEGISLATIVE BILL NO.

H. R. 4918

## SECTION I

## GENERAL

TO : M   
**Comptroller** ✓  
**Director of Personnel**

FROM: LEGISLATIVE COUNSEL  
 OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.

☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☒ IS ☐ IS NOT PREDICTED.

☒ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY \_\_\_\_\_.

## SECTION II

## COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL  
 OFFICE OF GENERAL COUNSEL

FROM: Comptroller


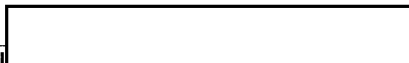
The Comptroller's Office is in favor of the passage and approval of this bill. It is requested that reports relating thereto be furnished.

The passage of this bill will materially increase the travel costs of the Agency. Under the provisions of this bill, those having the authority for approval of travel may have to give consideration as to whether it will be more advantageous to the Agency in each case for the individual to travel on an actual expense basis or on a per diem basis.

DATE OF COMMENTS

22 March 1955

SIGNATURE AND TITLE

EXTENSION

STATINTL  
STATINTL

ER-6-7937 b

7 APR 1955

The Honorable William L. Dawson  
Chairman, Committee on Government Operations  
U. S. House of Representatives  
Washington 25, D. C.

Dear Mr. Chairman:

This is in further reply to your letter of 16 March 1955 requesting the comments of this Agency on H. R. 4918, a bill to amend section 5 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

This Agency feels that it would be desirable to have H. R. 4918 enacted into law. In view of current living costs, it is difficult for employees to subsist within the present \$9.00 per diem allowance, and an increase of that allowance, as provided in H. R. 4918, would be quite equitable. Under certain conditions an actual expense basis, as proposed in this bill, would also be helpful.

Respectfully,

SIGNED

C. P. GABELL

Lieutenant General, USAF  
Acting Director

OGC:WLP/blc (5 Apr. 55)

Orig. & 2 - Add.

1 - James Hyde (Bur. of Budget)

2 - Signer

2 - Legis. Counsel w/basic ✓

1 - DD/S

1 - Comptroller

1 - Director of Personnel

CONCUR:

                      
General Counsel

C  
O  
P  
Y

Comptroller

The Comptroller's Office is in favor of the passage and approval of this bill. It is requested that reports relating thereto be furnished.

The passage of this bill will materially increase the travel costs of the Agency. Under the provisions of this bill, those having the authority for approval of travel may have to give consideration as to whether it will be more advantageous to the Agency in each case for the individual to travel on an actual expense basis or on a per diem basis.

C  
O  
P  
Y

22 March 1955

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H. R. 4918, To Provide Increased Maximum Per Diem Allowances for Subsistence and Travel Expenses

1. In accordance with your request, the subject Bill has been reviewed to determine whether it is of interest to CIA activities and whether further action by your Office is necessary.

2. The proposed Bill would amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance from \$9 to \$13 for civilian officers and employees, and from \$10 to \$15 for intermittent consultants and experts. The Bill also authorizes heads of departments and establishments to prescribe, in accordance with regulations promulgated by the Director, Bureau of the Budget, conditions under which advance reimbursement for such expenses may be made on actual expense basis, not to exceed a maximum amount specified in the travel authorization.

3. The liberalization of per diem allowances is considered desirable, and it is recommended that the Agency support the proposed Bill.

STATINTL

Harrison G. Reynolds  
Director of Personnel

21 March 1955

The Honorable William L. Dawson  
Chairman  
Committee on Government Operations  
U. S. House of Representatives  
Washington 25, D. C.

Dear Mr. Chairman:

This is to acknowledge receipt of your letter of 16 March 1955 requesting the Agency's comments on H. R. 4918.

I am sending you this interim reply to inform you that we will send the requested report to you as soon as possible.

With kindest regards, I am

Sincerely yours,

Walter L. Pforzheimer  
Legislative Counsel



OGC:WLP/blc  
Orig. & 1 - Addressee  
2 - Signer

UNCLASSIFIED

CONFIDENTIAL

SECRET

(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

SUSPENSE: 24 March 1955

TO		INITIALS	DATE
1	MR. PFORZHEIMER		
2			
3			
4			
5			

FROM		INITIALS	DATE
1	Assist. to the Director	<i>FMC</i> FMC	18 Mar
2			
3			

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<input checked="" type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> RETURN
<input type="checkbox"/> COMMENT	<input type="checkbox"/> PREPARATION OF REPLY	<input type="checkbox"/> DISPATCH
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> FILE

Remarks:

MAJORITY MEMBERS

WILLIAM L. DAWSON, ILL., CHAIRMAN  
CHET HOLIFIELD, CALIF.  
JOHN W. MCCORMACK, MASS.  
EARL CHUDOFF, PA.  
JACK B. BROOKS, TEX.  
LESTER HOLTZMAN, N. Y.  
ROBERT H. MOLLOHAN, W. VA.  
L. H. FOUNTAIN, N. C.  
PORTER HARDY, JR., VA.  
JOHN A. BLATNIK, MINN.  
ROBERT E. JONES, JR., ALA.  
EDWARD A. GARMATZ, MD.  
JOHN E. MOSS, JR., CALIF.  
JOE M. KILGORE, TEX.  
DANTE B. FASCELL, FLA.  
MARTHA W. GRIFFITHS, MICH.  
HENRY S. REUSS, WIS.

Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

EIGHTY-FOURTH CONGRESS

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON GOVERNMENT OPERATIONS

1501 House Office Building

Washington, D. C.

MINORITY MEMBERS

JOSEPH E. HOFFMAN, MICH.  
R. WALTER RIEHLMAN, N. Y.  
CECIL M. HARDEN, IND.  
CHARLES B. BROWNSON, IND.  
GEORGE MEADER, MICH.  
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CHARLES R. JONAS, N. C.  
WILLIAM E. MINSHALL, OHIO

CHRISTINE RAY DAVIS,  
STAFF DIRECTOR  
NATIONAL 8-3120  
EXTENSIONS 422-1310

Executive Registry

6-7937

March 16, 1955

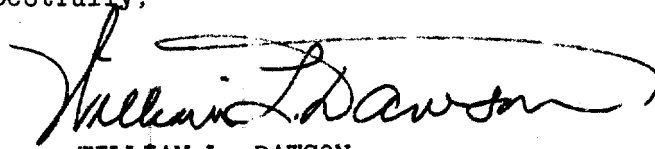
Honorable Allen W. Dulles  
Director  
Central Intelligence Agency  
2430 E Street  
Washington 25, D. C.

Dear Mr. Dulles:

The Committee herewith submits to you the enclosed  
bill, H. R. 4918....., upon which the Committee  
would appreciate a prompt report, together with such  
comment as you may desire to make.

Will you kindly transmit your reply in triplicate.

Respectfully,



WILLIAM L. DAWSON  
Chairman

Encl.

*Interim: reply (acknowledging  
recd. by Mr. Pfozheim  
21 March 55.*

84TH CONGRESS  
1ST SESSION

# H. R. 4918

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1955

Mr. DAWSON of Illinois introduced the following bill; which was referred  
to the Committee on Government Operations

---

## A BILL

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 3 of the Travel Expense Act of 1949 (63 Stat.  
4       166, as amended; 5 U. S. C. 836) is further amended by  
5       striking "\$9" and inserting in lieu thereof "\$13"; and by  
6       striking the period at the end thereof and adding the follow-  
7       ing additional proviso: "*And provided further, That where*  
8       *due to the unusual circumstances of a travel assignment with-*  
9       *in the limits of the continental United States such maximum*

I



1 per diem allowance would be much less than the amount  
2 required to meet the actual and necessary expenses of the  
3 trip, the heads of departments and establishments may, in  
4 accordance with regulations promulgated by the Director,  
5 Bureau of the Budget, pursuant to section 7, prescribe con-  
6 ditions under which reimbursement for such expenses may be  
7 authorized in advance of the performance of a trip on an  
8 actual expense basis not to exceed a maximum amount to be  
9 specified in the travel authorization."

10 SEC. 2. Section 5 of the Administrative Expenses Act  
11 of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by  
12 striking "\$10 per diem" and inserting in lieu thereof "\$15  
13 per diem within the limits of the continental United States  
14 and, beyond such limits, not to exceed the rates of per diem  
15 established by the Director of the Bureau of the Budget  
16 pursuant to section 3 of the Travel Expense Act of 1949,  
17 as amended (5 U. S. C. 836)".

18 SEC. 3. The first sentence of section 1823 (a) of title  
19 28, United States Code, is amended by striking the portion  
20 "and if travel is made by privately owned automobile mile-  
21 age at a rate not to exceed 7 cents per mile, together with  
22 a per diem allowance not to exceed \$9 in lieu of subsistence"  
23 and inserting in lieu thereof "or, if travel is made by privately  
24 owned automobile, at a rate not to exceed that prescribed  
25 in section 4 of the Travel Expense Act of 1949, together

3

- 1 with a per diem allowance in lieu of subsistence not to exceed
- 2 the rates of per diem as described in, or established pursuant
- 3 to, section 3 thereof”.

84TH CONGRESS  
1ST SESSION

## H. R. 4918

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### A BILL

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

---

By Mr. Dawson of Illinois

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MARCH 15, 1965

Referred to the Committee on Government Operations

U. S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON GOVERNMENT OPERATIONS

FREE



*William F. Harrison*  
M.C.

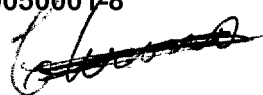
Honorable Allen W. Dulles  
Director  
Central Intelligence Agency  
2430 E. Street  
Washington 25, D. C.

SECRET

6. Mr. Dawson (D., Ill.), Chairman of the House Committee on Government Operations, has introduced H.R. 4918, which will raise per diem allowances from \$9.00 to \$13.00 per day, together with a proviso that where travel within the United States required greater expenditure the heads of agencies may authorize an actual expense basis. Legislation increasing the per diem will probably pass the current Congress.

18 Mar 55

SECRET<sup>2</sup>



21 March 1955

The Honorable William L. Dawson  
Chairman  
Committee on Government Operations  
U. S. House of Representatives  
Washington 25, D. C.

Dear Mr. Chairman:

This is to acknowledge receipt of your letter of 16 March 1955 requesting the Agency's comments on H. R. 4918.

I am sending you this interim reply to inform you that we will send the requested report to you as soon as possible.

With kindest regards, I am

Sincerely yours,

Walter L. Pforzheimer  
Legislative Counsel

OGC:WLP/blc  
Orig. & 1 - Addressee  
2 - Signer

Public Law 189 - 84th Congress  
Chapter 424 - 1st Session  
H. R. 6295

AN ACT

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3 of the Travel Expense Act of 1949 (63 Stat. 166, as amended; 5 U. S. C. 836) is further amended by striking "\$9" and inserting in lieu thereof "\$12"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.*"

Travel ex-  
penses.  
Increase.  
69 Stat. 393.  
69 Stat. 394.  
5 USC 840.

SEC. 2. Section 5 of the Administrative Expenses Act of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by striking "\$10 per diem" and inserting in lieu thereof "\$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U. S. C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.*"

SEC. 3. The first sentence of section 1823 (a) of title 28, United States Code, is amended by striking the portion "and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence" and inserting in lieu thereof "or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per

62 Stat. 950.  
5 USC 837.

Pub. Law 189

-2-

All 69 Stat. 394.

diem as described in, or established pursuant to, section 3 thereof".

Sec. 4. Section 4 of the Travel Expense Act of 1949 (63 Stat. 166; 5 U. S. C. 837) is amended by striking out "4 cents" and "7 cents" and inserting "6 cents" and "10 cents", respectively, in lieu thereof.

Approved July 28, 1955.



84TH CONGRESS } 1st Session }	HOUSE OF REPRESENTATIVES {	REPORT No. 1088 }
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GOVERNMENT EMPLOYEES TRAVEL EXPENSE  
ALLOWANCES

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JULY 11, 1955.—Ordered to be printed

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Mr. FASCELL, from the committee of conference, submitted the  
following

CONFERENCE REPORT

[To accompany H. R. 6295]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. Section 4 of the Travel Expense Act of 1949 (63 Stat. 166; 5 U. S. C. 837) is amended by striking out '4 cents' and '7 cents' and inserting '6 cents' and '10 cents', respectively, in lieu thereof."

And the Senate agree to the same.

WILLIAM L. DAWSON,  
DANTE B. FASCELL,  
J. ARTHUR YOUNGER,  
*Managers on the Part of the House.*

OLIN D. JOHNSTON,  
MATTHEW M. NEELY,  
FRANK CARLSON,  
*Managers on the Part of the Senate.*

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Reduces the maximum per diem allowance from \$13 per day as proposed by the House to \$12 per day as proposed by the Senate.

Amendment No. 2: Authorizes an increase in the mileage rate for privately owned motorcycles from the present 4 cents to 6 cents and for privately owned automobiles or airplanes from the present 7 cents to 10 cents, when engaged on official business, as proposed by the Senate. No increases in the maximum mileage rates were proposed by the House.

There was considerable discussion among the conferees on whether a per diem rate of \$12 or \$13 was fair and equitable. The House managers pointed out that the information presented to it in hearings and reports from the Bureau of the Budget and various agencies indicated that the higher figure would be warranted. The Senate managers noted, however, that the military had already been given an increased per diem rate for travel expenses to \$12 and it would be preferable to have a uniform rate as between civilians and the military. The House managers believed that with the actual expense proviso in the bill any serious problems of inequity could be cured.

Although the House had received no information to show the need for an increase in the mileage rate for privately owned automobiles and motorcycles, the Senate felt such an increase was necessary.

The House, therefore, receded in these two particulars.

WILLIAM L. DAWSON,  
DANTE B. FASCELL,  
J. ARTHUR YOUNGER,  
*Managers on the Part of the House.*

**SUBSISTENCE EXPENSES AND MILEAGE ALLOW-  
ANCES OF CIVILIAN OFFICERS AND EMPLOYEES  
OF THE FEDERAL GOVERNMENT**

---

**HEARING**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON  
GOVERNMENT OPERATIONS  
HOUSE OF REPRESENTATIVES  
EIGHTY-FOURTH CONGRESS  
FIRST SESSION

ON  
**H. R. 6295, H. R. 4918, H. R. 4169, and H. R. 3950**  
BILLS TO AMEND SECTION 3 OF THE TRAVEL EXPENSE  
ACT OF 1949, AS AMENDED, TO PROVIDE AN INCREASED  
MAXIMUM PER DIEM ALLOWANCE FOR SUBSISTENCE AND  
TRAVEL EXPENSES, AND FOR OTHER PURPOSES

APRIL 26, 1955

Printed for the use of the Committee on Government Operations



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WASHINGTON : 1955

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ELMER W. HENDERSON, *Associate Counsel*

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SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES  
OF CIVILIAN OFFICERS AND EMPLOYEES OF THE  
FEDERAL GOVERNMENT

(H. R. 6295, H. R. 4918, H. R. 4169, and H. R. 3950)

TUESDAY, APRIL 26, 1955

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EXECUTIVE AND  
LEGISLATIVE REORGANIZATION OF THE  
COMMITTEE ON GOVERNMENT OPERATIONS,  
*Washington, D. C.*

The subcommittee met, pursuant to call, at 10 a. m., in room 1501, New House Office Building, Hon. William L. Dawson (chairman of the full committee) presiding.

Present: Representatives Dawson, McCormack, Brown of Ohio, Jonas, Fascell, and Kilgore.

Also present: Representative Hoffman; William Pincus, associate general counsel; and Elmer W. Henderson, subcommittee counsel.

The CHAIRMAN. The meeting will now come to order.

The Subcommittee on Executive and Legislative Reorganization of the Committee on Government Operations is considering legislation to increase the maximum per diem allowance for subsistence and travel expenses for Federal employees and those who serve without compensation.

The present maximum per diem rate established by the Travel Expense Act of 1949, which originated in this committee, is \$9 per day, and for those who work without compensation, \$10 per day.

The rate for privately owned automobiles is 7 cents per mile and 4 cents for motorcycles, established by the same act.

During the period since 1949 the committee has been informed that the cost of travel and subsistence has risen, and that the rates prescribed by the act are no longer adequate. Various members have been concerned about this, and the Bureau of the Budget has made specific recommendations on behalf of the President.

H. R. 4918, which embodies the President's views, would raise the per diem rate to \$13 a day for regular employees, and to \$15 for those serving without compensation.

(H. R. 4918 is as follows:)

[H. R. 4918, 84th Cong., 1st sess.]

A BILL To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes

Be it enacted by the House of Representatives of the United States of America in Congress assembled, That section 3 of the Travel Expense Act of 1949 (63 Stat. 166, as amended; 5 U. S. C. 836) is further amended by striking "\$9" and inserting in lieu thereof "\$13"; and by striking the period at the end thereof and adding

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the following additional proviso: "And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribe conditions under which reimbursement for such expenses may be authorized in advance of the performance of a trip on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization."

SEC. 2. Section 5 of the Administrative Expenses Act of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by striking "\$10 per diem" and inserting in lieu thereof "\$15 per diem within the limits of the continental United States and, beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)".

SEC. 3. The first sentence of section 1823 (a) of title 28, United States Code, is amended by striking the portion "and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence" and inserting in lieu thereof "or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as described in, or established pursuant to, section 3 thereof".

The CHAIRMAN. H. R. 4169, introduced by Congressman Chudoff, who is a member of the Government Operations Committee, and H. R. 3950, introduced by Congressman Withrow, would raise the per diem rate for regular employees to \$15 per day, and increase the mileage rate for autos to 12 cents per mile, and for motorcycles to 6 cents per mile.

(H. R. 4169 and H. R. 3950 are as follows:)

[H. R. 4169, 84th Cong., 1st sess.]

A BILL To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Travel Expense Act of 1955".

SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C. 836-837) is amended by striking the figure "\$9" and inserting "\$15" in lieu thereof.

SEC. 3. Section 4 of said Act is amended by striking the figures "4 cents" and "7 cents" and inserting "6 cents" and "12 cents", respectively, in lieu thereof.

SEC. 4. This Act shall take effect no later than thirty days following its enactment.

[H. R. 3950, 84th Cong., 1st sess.]

A BILL To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Travel Expense Act of 1953".

SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C. 836-837) is amended by striking the figure "\$9" and inserting "\$15" in lieu thereof.

SEC. 3. Section 4 of said Act is amended by striking the figures "4 cents" and "7 cents" and inserting "6 cents" and "12 cents", respectively, in lieu thereof.

SEC. 4. This Act shall take effect no later than thirty days following its enactment.

(A clean bill H. R. 6295, reported with amendments—H. Rept. No. 604—follows:)

SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

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[Insert the part printed in italic]

[H. R. 6295, 84th Cong., 1st sess.]

A BILL To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3 of the Travel Expense Act of 1949 (63 Stat. 166, as amended; 5 U. S. C. 836) is further amended by striking "\$9" and inserting in lieu thereof "\$13"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.*"

SEC. 2. Section 5 of the Administrative Expenses Act of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by striking "\$10 per diem" and inserting in lieu thereof "\$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U. S. C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.*"

SEC. 3. The first sentence of section 1823 (a) of title 28, United States Code, is amended by striking the portion "and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence" and inserting in lieu thereof "or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as described in, or established pursuant to, section 3 thereof".

The CHAIRMAN. The purpose of these hearings is to secure for the committee the necessary information to act on those measures. The Congress wishes to do the fair and just thing for our Federal employees, and does not expect that they should pay out of their own pockets the expenses necessary to carrying out their assignments.

Mr. McCORMACK. May I be recognized for a moment, Mr. Chairman?

The CHAIRMAN. Certainly.

Mr. McCORMACK. I know that the other members of the committee are very happy to hear and to know that this is the birthday anniversary of our distinguished chairman of the committee, for whom we all have not only a strong feeling of friendship and a profound feeling of respect, but a deep feeling of esteem. And I know I speak the sentiments of the other members of the committee and the staff, and I think I might well include those present, in extending to Congressman Dawson our hearty congratulations and our very best wishes for happiness and success in the years to come.



SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

Mr. BROWN. I would like to have the record show that the minority certainly joins in that expression of good will. [Applause.]

The CHAIRMAN. Thank you.

Each member of the subcommittee has been provided with a folder. The first item on your folder is a list of witnesses expected to be heard or who have submitted statements on this matter.

The next is a comparative analysis of the three bills that have been filed. That is followed by copies of the bills themselves.

Next in order you will find in your folder the report of the Office of the President through the Bureau of the Budget, addressed to the Speaker of the House, containing two enclosures concerning the adequacy of travel allowance for the individuals serving without compensation and mileage allowance.

That is followed by the thoughts of the Comptroller General of the United States on these three bills.

Following that is a report of the Treasury Department.

That is followed by the report of the Office of the Assistant Secretary of Defense.

That is followed by the report from the Department of Agriculture, followed by a report from the United States Department of Labor, and a report from the Central Intelligence Agency.

They are followed by a copy of the law of 1949, followed by a statement of United States Code 28, 1723 (a), and United States Code 5, 73 (b) (2), which deals with United States officers and employees, travel expenses of consultants or experts, transportation of persons serving without compensation.

Then it is followed by a copy of the standardized Government travel regulations as put out by the Bureau.

Then there is a statement submitted by Congressman Chudoff, who is not present, and who wishes to give his views through this statement. And if there is no objection, that will be included in the record at this point.

(The statement of Congressman Chudoff is as follows:)

STATEMENT OF HON. EARL CHUDOFF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

The bill H. R. 4169, which I have introduced to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government has, in my opinion, a very worthy objective.

If enacted, it would increase the per diem allowance from the present maximum of \$9 to \$15 a day. It would also permit Federal workers who use their own automobiles or motorcycles on official business to receive reimbursement at the rate of 12 cents instead of the present 7 cents a mile for automobile travel, and 6 cents instead of 4 cents a mile for the use of a privately owned motorcycle.

These increases are long overdue. Prices of everything a person needs and uses have continued to increase since the last increase in these allowances was made in 1949. Some have increased more than others, but few commodities or services have increased during that period in greater proportion than has the cost of travel.

The proposal to increase the per diem allowance from \$9 to \$15 can be substantiated directly on the basis of increased prices of the accommodations and services which the traveler must purchase. It can be defended also on the basis of a deferred need. The \$9 allowance was inadequate when it was established more than 5 years ago. It did not fully reflect the increase in prices up to that time and there is, therefore, a lag in providing a proper adjustment of these rates which must not be allowed to continue.

## SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

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There are various errors which seem to have crept into the thinking on this subject of travel allowances. There is usually the caution that the sum provided by law should not be too high or employees might squander the Government's money and live lavishly at Government expense. How one can live lavishly at a big-city hotel and obtain food and satisfy other needs on even \$15 a day remains to be explained. In addition, there seems to be the belief that the allowances should represent average amounts which employees would be required to spend. Nothing could be more erroneous. These amounts are maximum amounts and are neither intended to apply to all types of travel under all conditions nor are they so administered by the different Government agencies. They must be established on that basis to provide for travel into the high-price areas and population centers. Averaging the prices on which these allowances are to be based is useful in guiding our estimates of the likely cost of increasing the rates, but they in no wise provide us with a sound basis for limiting the allowances to such averages.

The objective of my bill is to shift the entire burden of travel expenses to the Federal Government where it belongs. It is eminently unfair and discriminatory to pay a Federal employee a salary and then expect him to pay part of the cost of his trips on Government business. He receives the same salary as that paid other employees who do little or no traveling on Government business, and he is therefore unjustly deprived of part of his pay. If there is any fault existing with respect to official travel it can be corrected by proper administration of the law providing such compensation and proper decisions with respect to the need for travel. But in no case should the unwillingness of the Government to pay all the cost shift part of the expense to the employee.

The proposal to raise the per diem allowance to \$15 can be defended on the basis of a direct comparison of costs today with those 5 or 6 years ago. Surveys of hotel expenses have shown that the average cost of a hotel room today is nearly \$8 a day, which means that on many trips to the larger cities a person traveling for the Government will have to pay \$9 or \$10 or more particularly if accommodations happen to be scarce at the time the employee must make the trip. It should be remembered that he has no choice, but must go when he is so directed.

It is well known that food prices have advanced greatly since 1949 and that as a result all hotel and restaurant meals must be priced higher. In addition to the cost of a hotel room, an employee visiting a large city may have to spend \$4 or \$5 a day for his meals. Besides he will find it necessary to spend an additional sum for certain other tips and incidentals which may bring his total cost easily to \$15 or in some cases even more.

The increased cost of providing, maintaining, and operating an automobile or motorcycle has prompted me to include in my bill increases of the amount an employee is paid by way of reimbursement for the use of the vehicle he himself owns. I believe it is only fair in view of the higher cost of new cars and the higher prices for such things as gasoline, tires, mechanical repairs, and insurance. Some of these items have increased nearly 30 percent since 1949, but here again it should be emphasized that the allowance currently effective was inadequate when it was established. The sum provided should also provide for deterioration and depreciation of a vehicle owned by an employee who is required to use it for the benefit of the Government. It is not fair to expect him to wear it out only for the actual cost of operating the automobile or motorcycle, whichever it may be.

It is, Mr. Chairman, my considered opinion, therefore, that an appropriate increase should be made in these allowances so that the employees of our Federal Government will be protected from personal loss. In closing I desire to express my appreciation for the opportunity to make this statement.

The CHAIRMAN. I am going to call upon the first witness, Mr. Donald R. Belcher. He is the Assistant Director of the Bureau of the Budget, and he is representing the Bureau of the Budget of the Office of the President.

Mr. Belcher.

**STATEMENT OF DONALD R. BELCHER, ASSISTANT DIRECTOR,  
BUREAU OF THE BUDGET; ACCOMPANIED BY ROY J. NEW-  
BOLD AND J. HERBERT WALSH, OFFICE OF MANAGEMENT  
AND ORGANIZATION, BUREAU OF THE BUDGET**

Mr. BELCHER. My name is Donald R. Belcher. I am Assistant Director of the Bureau of the Budget. I have with me Mr. Newbold, sitting at my right, and Mr. Walsh, also members of the Bureau of the Budget.

I appreciate the opportunity to appear before your subcommittee to discuss H. R. 3950, H. R. 4169, and H. R. 4918, which provide for increased allowances for civilian employees who travel on official business.

It is generally recognized that the existing maximum per diem travel allowance of \$9 is, in many cases, inadequate to reimburse the traveler for out-of-pocket costs. In his message to the Congress on Federal personnel management, the President stated that a legislative proposal would be submitted for an appropriate increase in the per diem allowance. At the time that message was submitted, information was being gathered on present-day travel costs. After the information was analyzed, recommendations were made to the Congress.

Those recommendations are embodied in H. R. 4918, which provides that the maximum per diem travel allowance be increased from \$9 to \$13; that special provision be made for unusual types of travel where the maximum rate would be much less than the necessary actual expenses incurred; that present mileage allowances remain unchanged; that the maximum per diem allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15; and that the travel rates for civilian employees who travel as witnesses on behalf of the United States be governed by the Travel Expense Act of 1949, as amended, rather than by separate legislation.

H. R. 3950 and H. R. 4169 would increase the maximum per diem allowance from \$9 to \$15, mileage allowance for motorcycles from 4 cents to 6 cents, and mileage allowance for privately owned automobiles or airplanes from 7 cents to 12 cents.

We believe that for the normal run of travel, rates lower than those provided in H. R. 3950 and H. R. 4169 would be adequate. I shall, therefore, direct my discussion to the provisions of H. R. 4918.

**Increase in per diem:** The first section of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, as amended. It would increase the maximum per diem allowance from \$9 to \$13 for civilian employees who travel on official business within the limits of the continental United States. The \$13 rate would be comprised of approximately \$7.30 for hotel room; \$4.50 for meals; and \$1.20 for incidental expenses. It is based upon the following considerations.

The hotel accounting firm of Harris, Kerr, Forster & Co. reported in December 1954 that, upon the basis of audit of 375 hotels (located in 185 cities and towns throughout the country) used by businessmen in traveling, the average room rate for a single room during 1954 was \$7.30. It more recently reported that its final analysis for calendar year 1954 shows an average single room rate of \$7.40. The hotel accounting firm of Horwath & Horwath, on the basis of an average

sample of between 360 and 400 hotels located throughout the United States, advised in January 1955 that the average room rate for a single room during 1954 was between \$6.70 and \$6.95.

The amount estimated for meals per day is \$4.50 based upon an allocation of \$1 for breakfast; \$1.25 for luncheon; and \$2.25 for dinner. Both hotel accounting firms report that the price of hotel restaurant meals has increased approximately 20 percent since 1949, at which time the estimated meal cost was \$3.75.

The amount for incidental expenses, averaging \$1.20 per day, is intended to cover such items of expense as tips and fees while traveling; hotel tips; tips to waiters; laundry; cleaning and pressing; telegrams for room reservations; et cetera. These miscellaneous expenses have also increased in recent years. The Bureau of Labor Statistics reports, on the basis of a study of prices in 34 large cities until 1952 and in 46 cities since that time, that the cost of dry cleaning and pressing has increased 14 percent between June 1949 and December 15, 1954; and that the cost of laundry has increased 18.7 percent during the same period. In view of the higher costs of meals, the amounts for tips have correspondingly increased.

Some Federal employees keep actual expense records of their travel costs. A few agencies were asked to submit examples of actual expenses incurred by employees. Illustrations of such information are as follows:

1. Expenses incurred by an employee of the Commodity Stabilization Service, Department of Agriculture, in a 20-day trip to Portland, Denver, and Cincinnati averaged \$12.68 a day in Portland, \$13.65 in Denver, and \$11.60 in Cincinnati.

2. Expenses incurred by an employee of the Atomic Energy Commission in a 14-day trip to San Francisco averaged \$13.62 a day.

3. Expenses incurred by an employee of the Bureau of Public Debt, Treasury Department, in 2 trips involving 15½ days to Philadelphia; Columbia, S. C.; Jackson, Miss.; and New Orleans averaged \$13.06 a day.

We have only a limited amount of information on actual travel expenses incurred by employees in private industry. Examples are as follows:

1. The local office of a large corporation indicated average travel costs as follows:

	<i>Per day</i>
Hotel.....	\$8.00-\$8.50
Meals.....	5.75- 7.75
Tips.....	1.00

Average per day..... 14.75-17.25

2. Expenses of a sales representative of another corporation traveling in the 4-State area of Maryland, Virginia, and North and South Carolina during the 6-month period October 1, 1954, to March 31, 1955, involving 45 days of travel, are as follows:

Hotel.....	\$251.25
Meals.....	314.15
Valet, tips, etc.....	82.80

Total.....	648.20
Average per day.....	14.40

3. A sales representative of another company reported expenses for a 1-week period as follows:

Baltimore:

Apr. 4, 1955 .....	\$12. 90
Apr. 5 .....	12. 70
Washington, D. C., Apr. 6 .....	14. 45
Richmond, Va., Apr. 7 .....	12. 10
Roanoke, Va., Apr. 8 .....	12. 20
Danville, Va., Apr. 9 .....	12. 20
Average per day .....	12. 75

In considering the rate of \$13 per diem, it must be remembered that this would be the maximum rate. The Standardized Government Travel Regulations will continue to emphasize the fact that the departments and establishments are responsible for seeing to it that travel orders authorize only such per diem allowances within the maximum rate as are justified by the circumstances surrounding the travel.

Per diem rates on a graduated scale are authorized by agencies to meet necessary expenses, depending on the type of travel involved and the length of time spent at individual duty stations. For example, it is estimated that during the present fiscal year, 1,187,632 days of travel will be performed in the Department of Agriculture. Of this total, approximately 908,000 travel days or 76.5 percent will be authorized at per diem rates below the maximum, ranging from \$8 to \$5 and below. In the Department of Interior approximately 50 percent of the estimated travel days for the fiscal year 1956 will be at various rates below the maximum ranging from \$3 to \$8. In the Department of Commerce, 33 percent of the travel is at per diem rates ranging from \$3 to \$8. An analysis of 2,800 civilian-travel vouchers made by the Air Force in 1954 indicated an average per diem rate of \$8.14. Veterans' Administration estimates, for fiscal year 1956, 290,115 days at \$9 per day, 2,500 days at \$6, and 2,500 days at \$4.

Questions have been raised from time to time as to the grades of Federal employees who normally travel. Examples are as follows:

1. The Department of Agriculture estimated that over 90 percent of the days traveled in the present fiscal year would be by employees in grades GS-12 and below, over one-half of which would be in grades GS-9 and below.

2. The Treasury Department estimates that approximately 60 percent of the employees required to travel are at grades GS-9 and below, nearly half of which are at the GS-7 level.

In view of the facts discussed above, it would appear that \$13 is a reasonable maximum per diem rate with the understanding that agencies will continue to be responsible for establishing such rates below the maximum as are justified by the circumstances surrounding the travel.

Disbursement of actual expenses for unusual travel: The provision in the first section of the bill, authorizing reimbursement on an actual expense basis in lieu of the per diem basis, is proposed for use in a very limited number of situations. Occasionally employees are required to travel on assignments which necessitate personal expenditures substantially in excess of the reimbursement which would be obtained at the \$13 per diem rate. Attendance at meetings or conventions of

private business or industry, which are held at expensive hotels is an example.

Government representatives attending these meetings in furtherance of their official duties often have no choice but to stay at the convention hotel where even the cheapest rooms may exceed the entire per diem. Likewise these representatives are required to take their meals at these hotels. A similar situation where expensive hotels must be used arises at times when Secret Service agents travel with the President and must stay at the hotel in which he stays.

Likewise, unusually high rates are encountered from time to time when an employee must travel at a particular time to a city when only the more expensive hotel rooms are available due to conventions. As set forth in the bill, this type of travel would be governed by regulations of the Director of the Bureau of the Budget and under conditions prescribed by department heads. Also a maximum allowable amount of reimbursement would be determined in advance of the trip and would be set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.

We believe that, under proper controls, reimbursement on an actual expense basis in lieu of the per diem basis is desirable for the limited number of cases where the maximum per diem rate would not nearly compensate the employee for his necessary expenses.

Individuals serving without compensation: Section 2 of the bill proposes that the maximum per diem travel allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15.

The existing maximum per diem rate of \$10 is prescribed in section 5 of the Administrative Expenses Act of 1946 for individuals serving the Government without compensation and applies while they are away from home or regular places of business. Since these individuals generally serve as consultants for short periods of time and serve without receiving any compensation, a higher maximum rate of per diem than that prescribed for regular employees has been allowed in the past. In view thereof, the maximum rate of \$15 is recommended for these individuals.

Section 5 of the Administrative Expenses Act of 1946 provides that a rate higher than that prescribed therein may be authorized in specific legislation. The rate of \$15 was provided in the Defense Production Act of 1950. The 83d Congress authorized the \$15 rate for members of the President's Advisory Committee on Government Organization; members of the National Capital Planning Commission who serve without compensation; and individuals serving without compensation in an advisory capacity under the item "International contingencies" in the Department of State Appropriation Acts for the fiscal years 1954 and 1955.

A per diem rate not in excess of \$25 has been provided for individuals serving without compensation on advisory committees under title VI of the Housing Act of 1949 and under the Housing Act of 1954. The 83d Congress also increased to \$15 the per diem rate for Federal judges and justices which had been established at \$10 in 1940. Since rates of \$15 and above have been authorized by the Congress under other acts, we believe that individuals subject to the Administrative Expenses Act of 1946, namely, those serving without compensation,

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should be reimbursed for travel expenses at the rate of \$15 per day. We estimate a total of not more than 17,000 travel days in fiscal year 1956 by persons serving without compensation, which would represent an increase in travel costs of \$85,000 under H. R. 4918.

Consolidation of travel authority: Section 3 of the bill would amend section 1823 (a) of title 28, United States Code. This would bring the travel rates for civilian employees when traveling as witnesses on behalf of the United States under the Travel Expense Act instead of continuing them under separate legislation. The Department of Justice suggested this change. The rates in both acts are now identical. The proposed amendment, however, would not make the proposed reimbursement of unusual expenses on an actual expense basis applicable to travel of employees to serve as witnesses. The existing authority of the Attorney General to issue regulations relating to this travel, as contained in section 1823 (a), would not be changed by this amendment.

Mileage allowances: H. R. 4918 does not propose any change in the mileage allowances authorized to be paid to Government employees for use of their privately owned motor vehicles while traveling on official business. Information at hand does not indicate a need for change in such allowances.

The American Automobile Association in its Information Bulletin No. 92 of August 4, 1954, reported on the practice of private business in compensating their employees for use of personal cars on company business. The report contains a listing of flat mileage allowances used by private business firms as compiled by the Dartnell Corp., Chicago, Ill. Of the total firms covered by the Dartnell survey, 28 percent reimbursed employees for use of their automobiles at a rate less than 7 cents a mile; 45 percent, at the 7-cent rate; 5 percent, between 7 cents and 8 cents; 16 percent, at 8 cents; 3 percent, at 9 cents; and 3 percent, at the 10-cent rate. The weighted average allowance as reported by Dartnell was 7.01 cents.

More recent information published by the AAA in their Information Bulletin No. 93 of March 22, 1955, gives a breakdown of cost figures for the operation of an automobile as prepared by Runzheimer & Co., Chicago cost accounting firm. The breakdown for a postwar model car in the \$2,000 price class, driven up to 18,000 miles per year, shows that variable costs (gasoline, oil, maintenance, and tires) average 3.54 cents per mile while the fixed costs (insurance, license fees, depreciation) average about \$1.65 per day. On a mileage basis for the entire year the total cost to a car owner would be approximately 6.86 cents per mile. This amount for a comparable car driven only approximately 10,000 miles a year, was given as 9.52 cents per mile. These rates, of course, vary with the mileage driven, the class of car, and the type of driving conditions generally encountered by the individual during a year, whether in mountainous or flat country or in congested metropolitan centers or rural areas.

The authorization contained in section 4 of the Travel Expense Act of 1949 for employees to use privately owned motorcycles, automobiles, or airplanes on official business with reimbursement on a mileage basis is limited in scope. It applies only when their use is authorized or approved as more advantageous to the Government than the use of common carrier, except that advantage need not be shown where reimbursement is limited to the cost of common carrier

and the amount of per diem the employee would have received if common carrier facilities were used. Thus, reimbursement on a mileage basis, not to exceed 7 cents per mile, in lieu of actual transportation expenses and without regard to common-carrier costs, is generally limited to trips where common-carrier facilities are not available, such as in rural travel or where the employee-driver is accompanied by other employees, all on official business.

Estimated cost: It is difficult to estimate precisely the additional cost to the Government of the bill. The increase will result largely from the graduated scale of rates which will be used between the present \$9 maximum and the proposed \$13 maximum in those cases where \$9 is now inadequate.

For the fiscal year 1956 it is estimated that the total travel costs under the Travel Expense Act of 1949, as amended, for civilian travel within the continental United States will amount to about \$174 million at present travel rates. Of this amount it is estimated that approximately 50 percent will represent subsistence expenses covered by the per diem rate. This 50-percent figure was derived from estimates submitted by 15 of the major agencies which involve 90 percent of the travel. The estimates per diem part of total travel costs as furnished by the individual agencies ranged from 32 to 70 percent with an average for all agencies of 50 percent.

On the basis of this information and agency estimates, it is believed that the total additional cost of H. R. 4918 will not exceed a maximum of \$30 million a year and its actual cost may be several million under this figure.

The Bureau of the Budget favors enactment of H. R. 4918.

I thank you for your attention and would again like to express my appreciation for the opportunity to appear before you.

The CHAIRMAN. Mr. McCormack.

Mr. BROWN. Would the gentleman yield one moment?

Mr. McCORMACK. Yes.

Mr. BROWN. Mr. Chairman and members of the committee, I regret very much that I am going to have to leave, because we have a very important committee meeting on rules this morning, and I have tried to divide my time between the two meetings.

However, I would like to state that I favor this measure by Mr. Dawson, H. R. 4918, very much. And I respectfully request the gentleman from North Carolina, Mr. Jonas, to act as my proxy, and to cast a favorable vote for the bill at the proper time, with the consent of the committee.

The CHAIRMAN. Would you like to make any statement?

Mr. BROWN. No; I think it is very clear. I have engaged in study on some other problems along this line, and I think H. R. 4918 is a reasonable solution to the problem which confronts us. I think something has to be done about it, and it certainly doesn't give any of the taxpayer's money away. I don't think anybody in the Government service is going to get rich off of any arrangement of this kind. I think it is a proper approach to the whole problem. And, therefore, I want to cast my vote on it.

The CHAIRMAN. Would you care to state your views as to whether the maximum should be \$13 for all?

Mr. BROWN. No. I think you have some situations, Mr. Chairman, where you must go above the \$13 maximum. Now, as I understand



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the present law, if the expense is less than \$13 in certain areas per day, why, then, they can be reimbursed only for that which they have actually expended.

I have had personal experience bearing on this situation. I went on an assignment for our Government into some foreign countries where I was limited, I think, under the law to \$13, or something like that, and the cheapest room I could get in certain hotels cost \$20 in American money. So it did not pay off very well.

I wound up my assignment \$400 or \$500 in the hole. And I am sure that many other persons who have attempted to serve the Government in different capacities have encountered the same situation.

The CHAIRMAN. I wanted your views on that, because the other bill filed by the Congressman sets a maximum of \$15 for all employees, whether regular or not.

Mr. BROWN. I believe you have covered that under section II here, Mr. Chairman. I would favor the content of your measure.

The CHAIRMAN. Thank you.

Mr. BROWN. And now, if I may be excused, I have to leave.

The CHAIRMAN. Thank you for your presence.

Mr. McCORMACK?

Mr. McCORMACK. Mr. Belcher, you have skimmed it pretty close on a \$13 maximum.

Mr. BELCHER. It seemed to me that \$13 was all that we could support on the basis of the figures.

Mr. McCORMACK. Would not the same apply to the \$15 maximum in the other cases? You are referring to men who are on advisory boards and serving in other similar capacities.

Mr. BELCHER. I would say that \$15 for the consultant serving without compensation is not overgenerous. But it seemed to me we had a good deal of precedent for the \$15 in other legislation, and it was a reasonable figure to set at this time.

Mr. McCORMACK. I am not raising the question of it being unreasonable; I was just asking if you hadn't sort of skinned it rather close.

Mr. BELCHER. We have tried to hold it down to something that we could be sure was justified.

Mr. McCORMACK. You wanted to see the Federal employees and the others who are giving their part time to the Federal Government at least reimbursed for their actual expenses?

Mr. BELCHER. Yes; on the assumption that they are reasonable.

Mr. McCORMACK. I can see where there may be some special situations, but based on my own experience, it would seem to me that you are skimming it awfully close. Would you object to an increase from \$13 to \$15, and the other one to \$17.50?

Mr. BELCHER. Well, I am not prepared to support them. My difficulty is that it seemed to me that figures of that size would be on the generous side. I am not going to argue very strongly about it, because it is difficult to pinpoint this thing down and arrive at exact conclusions.

Mr. McCORMACK. That is true. But I can see where those cases within the maximum—there are three types of cases: There is one clearly less than a maximum, then there are cases that even under this restriction will be above the maximum. And then, there is the twilight zone.

Mr. BELCHER. That is right.

Mr. McCORMACK. Are you changing this \$25 limit for the individual serving without compensation on advisory committees, under title V of the Housing Act of 1949 and the Housing Act of 1954?

Mr. BELCHER. We are not now proposing a change, because that was enacted in specific legislation by the Congress for good and sufficient reasons, and we haven't questioned that.

Mr. McCORMACK. That is all.

The CHAIRMAN. Mr. Kilgore, do you have any questions?

Mr. KILGORE. No questions.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No questions, Mr. Chairman. Thank you.

The CHAIRMAN. Do you have any questions, Mr. Jonas?

Mr. JONAS. I believe not, Mr. Chairman.

The CHAIRMAN. Mr. Belcher, do you not think that the Government employees ought to have the same protection for their expenses as those who serve without compensation, since it is merely a maximum and you can make your regulations to provide circumstances under which they would not receive a maximum?

Mr. BELCHER. Well, it seems to me, in my own thinking, that the case of men serving without compensation may be a little different. They are called in only on special occasions, and their length of service is short.

The CHAIRMAN. Well, they would be protected anyway; you are giving them \$15.

Mr. BELCHER. Yes.

The CHAIRMAN. I am talking about the ordinary Federal employee. Don't you think he ought to be protected for that extra \$2? You don't have to pay it to him anywhere except where the circumstances warrant it. Then what would be the objection to having a flat \$15 per diem?

Mr. BELCHER. It seemed to me that \$13 was an adequate figure, based on such figures as we have been able to accumulate.

The CHAIRMAN. Suppose one of your Federal employees has to spend more than that; have you provided to meet his expenses?

Mr. BELCHER. In those selected cases where in advance of the trip it is evident that the expenses are going to and beyond that, then one provision of your bill would provide that a department head can authorize \$17 or \$20, or whatever you think is appropriate.

The CHAIRMAN. How do you determine in advance of this trip that there is a convention in that town, and that he cannot get accommodations until he gets there?

Mr. BELCHER. I don't know as you always can. In many cases the Government employees are invited because of the convention.

The CHAIRMAN. Don't you think in that event you ought to have the means to protect that Government employee at least \$2 worth?

Mr. BELCHER. Again, I am not going to argue too strongly against \$15, sir.

The CHAIRMAN. It is not that you are going to argue too strongly against it; we are searching here to try to find what is right and fair and just for our Federal employees. And, frankly, I can't see any reason why you should discriminate against them by giving them a maximum of only \$13, and giving another man a maximum of \$15.

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When you have the power to determine the circumstances under which he is to get the maximum, then you can't lose.

Mr. BELCHER. I understand.

The CHAIRMAN. But you can protect a Government employee in the performance of his duty. I don't think he should be called upon to spend his own money. And from my experience, Government employees are very loyal to the Government on their assignments, and the Government ought to be as loyal to them. I don't think we ought to penny-pinch with them.

As representing the Bureau of the Budget and the Office of the President, you do not see any good reason why the Government can't protect itself if the maximum for Federal employees was raised from \$13 to \$15?

Mr. BELCHER. I would be quite certain the Government could protect itself by the regulations put out by the Bureau and administered by the agency heads.

The CHAIRMAN. In the event a Federal employee should spend more than the maximum, can he deduct it from his income tax?

Mr. BELCHER. Yes. I am sure they do, those who keep an accurate record of their expenses, just as an employee in a private corporation.

The CHAIRMAN. Then they did make a little provision for him to get it back?

Mr. BELCHER. Yes.

The CHAIRMAN. I feel we should protect him to the extent of that \$2.

Mr. McCORMACK. Does the Bureau of the Budget now prescribe regulations under the existing law?

Mr. BELCHER. Yes.

Mr. McCORMACK. With the exception of the Department of Justice?

Mr. BELCHER. That is correct; under this act.

Mr. McCORMACK. I notice in section II which, of course, relates to those who are contributing their services part time, and under other unusual conditions, that you haven't got that proviso that you have relating to the Federal employees where, due to unusual circumstances of a travel assignment within the limit, and so forth, the maximum of \$15 could be increased.

Mr. BELCHER. No, we have not.

Mr. McCORMACK. Would you have any objections to that also being included in section II, which might give you flexibility that would come in handy sometimes?

Mr. BELCHER. The flexibility might be convenient. But it seems to me the demonstrated requirement, as I was able to see it, is that.

Mr. McCORMACK. We clearly understand your position; you are up here carrying out the instructions of the Bureau of the Budget. But there is no reason why, as the chairman says, within the \$15 limit for the maximum of the Federal employees, those permanently employed, why that could not be handled by regulation and meet the unusual cases where there would be a legitimate expense in excess of \$13, between \$15.

Mr. BELCHER. That could be.

Mr. McCORMACK. I can see the differential, not with respect to any class situation, but I can see the economic conditions confronting

these two groups, Government employees and, say, businessmen or professional men called down to advise in some advisory capacity.

It seems to me—just exploring, without committing myself to either proposition that I addressed questions to you about—that section II might be increased to \$17.50, with that additional proviso.

But in any event, you have no objection to the proviso being made a part of section II?

Mr. BELCHER. I am not taking a position on that. Our position has been expressed.

The CHAIRMAN. You do not recommend an increase in the mileage?

Mr. BELCHER. That is correct.

The CHAIRMAN. Do you think that the estimates made at the time that the mileage was set, that now exist \* \* \* do you think it is more expensive to operate an automobile now than then?

Mr. BELCHER. Yes, I am sure that it is more expensive to operate an automobile today than it was then.

The CHAIRMAN. Then why not make some allowance for it? If you were right then, you are wrong now.

Mr. BELCHER. Because, having made the survey of such figures as are available, and finding the almost predominating rate allowed by private business at 7 cents, it seemed to me that we weren't justified in going beyond that point. We assumed that those rates were set on the basis of experience by the companies, and we thought we could very well afford to stand on the 7-cent rate here for that reason.

The CHAIRMAN. Your rate does not include insurance. Does it take into consideration that the Government doesn't have to pay insurance, while the individuals do have to pay insurance?

Mr. BELCHER. Of course, the 7 cents is more than the direct out-of-pocket cost for gas and oil and wear of tires and ordinary maintenance; obviously 7 cents is in excess of that.

Now, the difference between actual out-of-pocket costs and the 7 cents would go to reimburse, to the extent that it does, for depreciation and insurance and license fees.

Now, of course, to spread those on a mileage basis becomes awfully difficult, because you can lock the car in the garage and still have these costs go on. If you drive 10,000 miles a year, the cost is at one rate; if you drive 30,000 miles a year, the cost is at a different rate. The difficulty is to pinpoint the costs per mile for insurance fees and license fees, and so forth.

The CHAIRMAN. Thank you very much, Mr. Belcher. You have been of inestimable service to us.

Mr. BELCHER. Thank you, sir.

The CHAIRMAN. Do your associates wish to make a statement?

Mr. BELCHER. They do not.

The CHAIRMAN. Thank you.

Mr. Philip Young.

#### STATEMENT OF PHILIP YOUNG, CHAIRMAN, CIVIL SERVICE COMMISSION

The CHAIRMAN. Will you identify yourself for the record?

Mr. YOUNG. Mr. Chairman, I am Philip Young, Chairman of the United States Civil Service Commission.

I have a short prepared statement in support of H. R. 4918.

The CHAIRMAN. Proceed.

Mr. YOUNG. Mr. Chairman, I am glad to have this opportunity to give you and the members of this committee the views of the Civil Service Commission on pending legislation to increase per diem allowances for Federal civilian employees.

In his January message to the Congress on Federal personnel management, the President stated that recommendations for an appropriate increase in the per diem rate would soon be submitted to the Congress. These recommendations have been submitted by the administration, and would be carried out by H. R. 4918 which this committee has under consideration.

The present maximum travel per diem allowance of \$9 was set in 1949. Since then, the costs of lodging, meals, and incidental expenses have increased substantially, and the maximum per diem is not adequate in many cases to cover necessary travel expenses. This means that employees must pay part of their official travel expenses from their own pockets or use second-rate accommodations.

As stated by the President in his message, it is not fair to ask Government employees to pay part of their official travel expenses from their personal funds. Further, I believe that employees who are representing their Government on official business should have proper accommodations, comparable to the accommodations used by those with whom they meet and do business.

Per diem rates for salaried employees and for consultants and others working without pay constitute a significant feature of Government personnel practice. The Civil Service Commission believes that adequate provision for payment of employees' official travel and subsistence expenses is an essential step in the continued improvement of the Federal personnel system.

H. R. 4918 would bring about three major changes in present per diem allowances. The specific dollar rates proposed were developed by the Bureau of the Budget on the basis of recent studies of businessmen's traveling expenses made by hotel accounting firms, and price studies made by the Bureau of Labor Statistics.

1. The maximum per diem travel allowance would be increased from \$9 to \$13 for regular civilian employees who travel on official business in the continental United States. The Standardized Government Travel Regulations will continue to emphasize that agencies are responsible for authorizing only that allowance which is justified by the specific travel conditions involved. Agencies are to take care to prevent the fixing of any per diem allowance over the minimum required to meet necessary travel expenses.

2. In addition to the usual travel, employees occasionally are officially requested to travel on special assignments which necessitate personal expenditures well in excess of the maximum per diem rate. This now involves direct out-of-pocket expense to the employee, since there is no authority for the Government to reimburse him for expenses in excess of the maximum per diem rate. The bill would authorize Government reimbursement of employees on an actual expense basis, instead of the per diem basis, in such instances.

This provision would be used in only a limited number of cases, such as attendance at private business conventions, or travel to disaster areas, where unusually high travel and subsistence expenses are un-

avoidable. The bill specifies that this type of travel would be governed by Budget Bureau regulations, and would be performed under conditions set by agency heads. A maximum allowable amount of reimbursement would be stated in the travel order.

3. The maximum per diem rate of \$10 now prescribed for persons serving the Government without compensation while they are away from home or regular place of business, like the travel per diem for salaried employees, is inadequate and should be brought up to date. The bill would increase from \$10 to \$15 the general maximum per diem rate for such personnel when traveling within the continental United States. This would accord with the present practice of granting these individuals a higher maximum per diem than is granted regular employees because they serve without pay and generally for short periods of time. The proposed rate would be consistent with the \$15 maximum rate now authorized under special legislation for members of certain Government advisory committees, and the per diem rate set by the 83d Congress for Federal judges and justices.

No change is proposed in the mileage allowances authorized to be paid Government employees for use of their privately owned motor vehicles while traveling on official business. Recent surveys of private business practice indicate that no increase is warranted. Information obtained by the Budget Bureau shows that the present rate of 7 cents per mile is still the most commonly used flat mileage rate in private industry.

H. R. 4918 would carry out the administration's recommendations for appropriate increases in present per diem rates. The Commission urges its enactment in the interests of further improvement in employment conditions in the Federal civilian career service.

This concludes my brief statement, Mr. Chairman. I will, of course, be pleased to answer any questions which you and the other committee members might wish to ask.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. I don't believe I have any questions to ask Mr. Young.

The CHAIRMAN. Mr. McCormack.

Mr. McCORMACK. Mr. Young, you heard my question of Mr. Belcher about section 2, about putting that proviso in there. What would be your viewpoint on that?

Mr. YOUNG. I am always in favor, Mr. McCormack, of a maximum amount of management flexibility as long as it is comparable with responsibility.

Mr. McCORMACK. Well, we assume that the responsibility would justify that.

Mr. YOUNG. Certainly, sir.

Mr. McCORMACK. So you have no objection to that amendment being put into section 2?

Mr. YOUNG. I would have no objection.

Mr. McCORMACK. What are your views on increasing the maximum from \$13 to \$15, if you have any?

Mr. YOUNG. I would say my reaction is about the same as Mr. Belcher's.

Mr. McCORMACK. You wouldn't approve it, but you would not oppose it?

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Mr. YOUNG. Well, the \$13 rate is what we considered to be a fair estimate based upon the surveys that were made. If the Congress desires to raise it to \$15, certainly I would impose no objection.

Mr. McCORMACK. What about the \$17.50 in the case of advisers and those coming down here part-time, usually without compensation?

Mr. YOUNG. I was greatly impressed with the chairman's comment on that particular point in reply to Mr. Belcher's remarks as to the extent to which there should be a differentiation between the two.

Mr. McCORMACK. That is all.

The CHAIRMAN. Mr. Kilgore?

Mr. KILGORE. I have no questions.

The CHAIRMAN. Mr. Fascell.

Mr. FASCELL. I would just like to point out that in discussing this \$17.50 rate we want to take into consideration the fact that we have got special legislation for \$15 at other places.

The CHAIRMAN. Your contention is that we would be raising it above the limit set by other legislation in certain cases?

Mr. FASCELL. In other words, it might be wise to consider a \$15 maximum, because you have got special legislation now providing for \$15, whereas if you take these two provisions in the bill and set one at \$15 and the other at \$17.50 you would have further discrimination.

The CHAIRMAN. I was wondering about the circumstances under which by special legislation we made it \$25 in the housing situation, but not knowing all the facts surrounding it I will keep quiet.

Any other questions to be asked of Mr. Young?

Thank you so much.

Mr. YOUNG. Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. John Martiny.

**STATEMENT OF JOHN H. MARTINY, LEGISLATIVE ATTORNEY,  
GENERAL ACCOUNTING OFFICE; ACCOMPANIED BY HENRY  
BARCLAY AND THOMAS DOWNES, ATTORNEYS, OFFICE OF THE  
GENERAL COUNSEL**

The CHAIRMAN. Will you identify yourself for the record, and also identify the gentlemen with you.

Mr. MARTINY. Mr. Chairman, I am John H. Martiny, legislative attorney, Office of the Comptroller General. I have with me Mr. Henry Barclay and Mr. Thomas Downes, attorneys in the Office of the General Counsel.

Mr. Chairman and members of the committee, the General Accounting Office appreciates the invitation of this subcommittee to appear before you and present our views and furnish any information we may have on H. R. 3950, H. R. 4169, and H. R. 4918.

H. R. 3950 and H. R. 4169 have identical provisions. Each bill would amend sections 3 and 4 of the Travel Expense Act of 1949 (1) to increase the maximum rate payable to Government employees for per diem allowance from \$9 to \$15 and (2) to increase the maximum mileage rates for the use of privately owned motorcycles and automobiles from 4 and 7 cents per mile to 6 and 12 cents respectively.

Section 1 of H. R. 4918 would increase the maximum per diem allowance to \$13 but does not propose any increase in the mileage rates.

The information available to the General Accounting Office, based solely upon the experience of our own employees, furnishes us ample basis for recommending that the maximum per diem rate be increased to at least \$12 but does not furnish any basis for favoring the \$15 rate. Also, we have no information to support any recommendation relative to an increase in the mileage rates. Accordingly, we will address our comments to H. R. 4918.

The first part of section 1 of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, to increase the maximum per diem rate to \$13.

We asked some of our employees who frequently perform travel for information as to actual daily expenses incurred. Six investigators from the Washington office reported an average daily cost of approximately \$13.75 while in a travel status in the larger cities, such as New York, San Francisco, Chicago, Denver and Cleveland. These costs included hotel, meals, valet service and nominal tips. In return the employees received an allowance of \$9 per day.

In a recent trip to Indianapolis, by our Chief, Budget and Finance Branch his average cost per day for a 3-day stay was \$13.25. The hotel room alone was \$8.50, leaving only 50 cents of the maximum \$9 rate for meals, tips, and other items.

A member of our Accounting Systems Division reports that on a recent trip to Philadelphia, the hotel room was \$7 for his share of a double room, meals averaged \$4 a day and miscellaneous expenses \$2.50, making a total of \$13.50 for which was paid an allowance of \$9.

Six employees of our Division of Audits report an average daily cost of \$13 or more.

Accordingly, it is our recommendation that the maximum rate be established at either \$12 or \$13 whichever the overall facts presented to this subcommittee may warrant.

Mr. McCORMACK. On your own testimony there should be at least the minimum of \$13.

Mr. MARTINY. Most of these actual expenses will support that. But I have in mind that the particular employee that is traveling here is generally of the top level of employees.

Mr. McCORMACK. Of course, if they need a lesser amount that is already provided for and that can be taken care of. But when you are talking about these men, you are talking about those that are going over the maximum, aren't you?

Mr. MARTINY. In some instances, yes.

Mr. McCORMACK. In all these instances you give us it is yes, isn't it?

Mr. MARTINY. All except the auditors, that is true.

Mr. McCORMACK. It seemed to me that you made a maximum of of at least \$13, and you are hitting close to \$15. But go ahead.

Mr. MARTINY. The purpose of H. R. 4918 is to permit the heads of departments and agencies, who authorizes the performance of official travel, to allow, in justifiable cases, payment of per diem up to \$13 per day in lieu of the present maximum rate of \$9. It is expected that a maximum of \$13 will be allowed only when departments and agencies are fully satisfied that such allowance is actually needed to cover expenses of Government employees performing travel on official business away from their designated posts of duty. The maximum amount authorized by this bill is not mandatory but is intended to provide a flexible method of reimbursing Government



employees for out-of-pocket expenses incurred when they are required to travel in high-cost areas.

This policy is recognized in paragraph 45 of the Standardized Government Travel Regulations which places the responsibility on each agency for authorizing only such per diem allowances as are justified to meet the necessary authorized expenses for each trip.

The policy of the General Accounting Office is set forth in an order of the Comptroller General as follows:

I expect each employee of the General Accounting Office who authorizes or directs travel; who performs travel; or who reviews, certifies, or otherwise authorizes payments in reimbursement of travel expenses, to exercise due care and practice economy in all matters involving travel costs. However, consistent with such care and economy, it is my direction that no officer or employee of the General Accounting Office be put to personal expense because of his performance of properly authorized travel, if it can be avoided under existing laws, regulations, and a general program for administering per diem allowances in lieu of actual travel expenses.

Mr. FASCELL. May I interrupt you at that point? Will you explain to me how you propose to follow out that particular statement if the expense incurred by an employee is more than the maximum provided by law?

Mr. MARTINY. The only alternative under the legislation that is proposed, if the actual expense is more than the maximum per diem, would be to bring the employee under the proviso which is proposed in H. R. 4918, and where there would be unusual and extraordinary circumstances, then we hope to be able to be authorized to reimburse this employee for the expenses that he actually incurred in excess of that maximum.

Mr. FASCELL. But isn't that based on the presupposition that an employee would never exceed the maximum except in unusual circumstances?

Mr. MARTINY. That is true. The policy that we were required to adopt by the Comptroller General was to recommend either a \$12 or \$13 rate. While all of the statements we got from our employees are merely statements of their actual expenses, those statements do show that the average would be between \$12 and \$13, or maybe even \$14, and we felt that in furtherance of trying to economize or hold it to a reasonable level that we should recommend either a \$12 or a \$13 rate.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. No questions.

Mr. McCORMACK. You wouldn't object to \$15 would you?

Mr. MARTINY. I am not authorized to recommend \$15, and I do not know whether the Comptroller would object to \$15.

Mr. McCORMACK. But will you answer from your own personal opinion? We are getting too much of this controlled thought. I would like to get a little independence.

Mr. MARTINY. I would not recommend a \$15 rate.

Mr. McCORMACK. Personally?

Mr. MARTINY. No, I don't think it is justified by the evidence I have seen before me.

Mr. McCORMACK. With the authority by regulation to control it within that?

Mr. MARTINY. That is one of the reasons we will not recommend the \$15 rate, because I believe that the majority or the highest per-

centage of those who travel intermittently will be authorized the maximum rate whether it is \$15, \$20, or \$13.

Mr. FASCELL. You lost me there. In other words, the regulation doesn't mean anything.

Mr. MARTINY. I believe the regulation means something—

Mr. FASCELL. But nobody is going to follow it.

Mr. MARTINY. We have such a regulation, and we follow it in the General Accounting Office. But we do find that a large percentage of them will authorize the maximum automatically.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. I was going to ask the witness to refresh my memory. My recollection is that in the illustrations you used, to get above \$13 you had \$2.75 allotted to miscellaneous expenses. Am I correct in that or not?

Mr. MARTINY. That is right in one of the cases.

Mr. JONAS. That seems a little high for incidentals to me.

Mr. McCORMACK. That is one member, a member of the Accounting Systems Division.

Mr. JONAS. I am just quoting it from memory.

Mr. MARTINY. That would cover your valet service, your tips.

Mr. JONAS. May I interrupt right there. Is that a proper charge against the Government, valet service? If he was at home he would have to have his pants pressed and pay for it himself.

Mr. MARTINY. Any unusual expense—this \$9 per diem rate is intended for cover any expense that the man might incur as a result of his official travel. And if you will allow me, I would like to read for you the definition of the per diem allowance. This is from paragraph 44 of the Standardized Government Travel Regulations:

The per diem in lieu of subsistence expenses will be held to include all charges for meals, lodgings, personal use of room during daytime, baths, all fees and tips to waiters, porters, baggage men, bell boys, hotel maids, dining room stewards and others on vessels, and hotel servants in foreign countries, telegrams and telephone calls reserving hotel accommodations, laundry, cleaning and pressing of clothing, fans and fires in rooms; transportation between places of lodgings or where meals are taken and places of duty.

In other words, it covers practically everything that the man would have to incur because he was away from his home.

Mr. FASCELL. Except for one very important item, good cigars.

Mr. MARTINY. I believe it would not cover that.

The CHAIRMAN. I would like to say this, that a man who travels will have to put his clothing in the suitcase, and he would have to have them pressed when he got to his destination in order to represent our Government properly. Valet service is a necessity.

Mr. FASCELL. May I inquire a little bit further on this point. In other words, as I understand your feeling on this matter, you think the maximum should not be increased beyond the amount recommended, because although the regulations of the agency would allow only those actual costs that may be necessary, as a matter of fact they would allow automatically the full amount.

Mr. MARTINY. In some cases, yes. I wouldn't like to criticize the agencies.

Mr. FASCELL. I am not interpreting it that way, that you are criticizing them. You are expressing a fear that the program would

become costly if you lifted the maximum to take care of actual expenses.

Mr. MARTINY. Not to take care of actual expenses, but we believe that the average actual expenses will be taken care of for the average traveler by the \$13 rate. And if there are unusual expenses that would be in excess of the \$13 rate, then it is contemplated that the traveler would be granted the right to be reimbursed under the proviso that is proposed in this bill.

So we believe that the two provisions taken together will adequately cover the situation as it exists today. We can't of course foresee what it would be in the future.

Mr. FASCELL. Does the regulation describe the type of accommodation that an employee in traveling would be entitled to obtain?

Mr. MARTINY. It does not.

Mr. FASCELL. Is it your opinion that if you raised the maximum the employee that is now spending on the average \$7 or \$8 for hotel rooms would start getting better accommodations, or that he might?

Mr. MARTINY. Surely they would, because the present maximum of \$9 makes an employee very cautious, he doesn't like to put the difference up out of his own pocket, which he would have to do. So I suspect that if the maximum is raised from \$9 to \$12 or \$13 or \$15, if the committee so desires, that the individual traveler probably will choose a better accommodation.

Mr. FASCELL. Do you think that is wrong?

Mr. MARTINY. No, I do not.

Mr. JONAS. Apropos of the comment made just now, Mr. Chairman, isn't this true: The head of an agency can't determine in every instance what it is going to cost an employee to go to Indianapolis for 3 days and make any distinction between what it will cost for another employee to go to St. Louis. It seems to me that what we need to do is to try to arrive at what would be an average for a fair maximum. And we have the testimony of this witness who, for example, has three different illustrations—they are all different. Now, if I were the head of that agency and I had 3 different groups going out and coming back with 3 different amounts, wouldn't it be natural to put down the maximum on travel orders? I don't see how the head of the agency could authorize less than a maximum.

Mr. FASCELL. Are you asking it?

Mr. JONAS. No, I am discussing it.

Mr. FASCELL. I think a frank answer would be how close anybody is breathing on his neck with respect to the accountability of funds.

The CHAIRMAN. They are doing that now, Mr. Jonas, that very thing. Some of them do not allow the maximum.

Mr. JONAS. On casual trips?

The CHAIRMAN. That is right. Many of the agencies set a figure less than the maximum.

Isn't that right?

Mr. MARTINY. That is true. I do not know whether it would be on casual trips or not. I will later point out that our regulations prohibit the maximum being used for a continuous period in excess of 60 days. We also have additional regulations, for example, where a man goes to an Indian reservation for an audit where he won't incur all of these additional expenses that would bring it up to the

\$9 maximum, then possibly he will be authorized only a \$4 rate or an \$8 rate, depending on where he goes, whether meals are furnished, and various other circumstances, whether they would justify the maximum rate or whether it is \$9 or \$13 or \$15.

Mr. McCORMACK. It costs money to determine what that is going to cost, too, doesn't it?

Mr. MARTINY. I don't believe so, because your regulations are not very extensive, and the standards are very general.

General Accounting Office officials authorized to direct travel are charged with the responsibility of authorizing rates commensurate with the circumstances involved. The maximum per diem may be authorized for our employees only when it is necessary to cover the proper personal expense of the traveler, which under existing conditions is most of the time, particularly on short trips. However, the maximum rate may not be authorized in excess of 60 days during a 180-day period unless approved in writing by the administrative officer. Also, no per diem may be paid in excess of 180 days for duty at any one temporary post of duty, except as specifically authorized or approved by the Comptroller General.

We believe that these regulations of the Comptroller General afford ample control for the assurance that we will use the proposed \$12 or \$13 maximum rate only when commensurate with the existing circumstances.

The increased cost to the General Accounting Office for the fiscal year 1956 based on a maximum per diem allowance of \$12 would be approximately \$300,000, representing a 23.33 percent increase over proposed estimate of \$910,000 and for a maximum rate of \$13, the increase would be a little over \$400,000, representing a 31.11 percent increase over such estimate.

The first section also contains a proviso to take care of a limited number of situations where employees are required to travel on assignments which necessitate personal expenditures well in excess of the maximum rate. The proviso would authorize reimbursement on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization.

We believe that a maximum should be specified in the bill if reimbursement on an actual expense basis is to be authorized. However, we recommend that the actual expense basis be discarded and that there be authorized a special per diem allowance not to exceed a rate which should be specified in the legislation. This would obviate the necessity for the traveler supporting each item of expenditure by receipts or otherwise, as generally is required when reimbursed on an actual expense basis. Language to accomplish this purpose has been submitted to the committee and a copy is attached for your information.

Mr. McCORMACK. Have you cleared that with the Bureau of the Budget?

Mr. MARTINY. We have not. It is not the practice of the General Accounting Office to clear legislation with the Bureau of the Budget.

Mr. McCORMACK. I just asked as a matter of curiosity.

Mr. FASCELL. You say there is a provision where the maximum provided in ordinary cases may be exceeded?

Mr. MARTINY. That is right.

Mr. FASCELL. And by substituting this language and provision for a higher maximum rather than putting it on an expense basis, this would be the way to handle it?

Mr. MARTINY. It is.

Mr. FASCELL. I am not clear on that.

Mr. MARTINY. If you will hold your question I will analyze the differences in the two bills.

Mr. FASCELL. Surely.

Mr. MARTINY. It differs substantially from the language of the bill. Under the bill—Mr. Chairman, possibly if I read the language at this point it would help. We suggest the following change in language for the proviso in section 1:

*And provided further, That where because of the unusual circumstances of a traveler assigned within the limits of the continental United States such maximum per diem allowance would be much less than the anticipated subsistence expenses of the trip the department or establishment concerned may, in accordance with regulations promulgated by the Director, Bureau of the Budget, prescribe a special per diem allowance not to exceed \$—*

and we leave the amount blank for whatever the committee would feel is justified.

Mr. McCORMACK. What do you think would be justified?

Mr. MARTINY. Personally I think a \$20 or \$25 rate would be justified. That is my personal view. This language differs substantially from the language of the bill. Under the bill the head of an agency may authorize this expense.

However, under existing law, the head of an agency is authorized to delegate to any officer or employee of his agency any of his functions as he deems appropriate. The proposed language uses the words "department or establishment" so that no one will be misled into believing that the head of an agency personally will authorize this expense. However, we believe that the authority to incur this extraordinary expense should be retained on a high organizational level of each agency and that the regulations to be issued should preclude any redelegation by the official authorized by the head of the agency to authorize this expense.

Also the language of the bill establishes this benefit "on an actual expense basis" which "may be authorized in advance." The proposed change uses a special per diem allowance basis and would permit approval of such an expense after the trip where travel is performed in an emergency. This is consistent with the provisions of paragraph 5 of the Standardized Government Travel Regulations.

Does that answer your question, Congressman, on the difference between the two provisos? Possibly I should elaborate on it.

Mr. FASCELL. Only one other thing. You say this without the necessity of supporting each item of expenditure by receipt. How would you control it, just determine it arbitrarily in advance and set a limit on it?

Mr. MARTINY. That is right.

Mr. FASCELL. And that responsibility would be up to the department.

Mr. MARTINY. That is true. If you don't have the per diem allowance, that means that the man has got to submit his hotel bill——

Mr. FASCELL. You do it on an actual cash basis?

Mr. JONAS. Couldn't you get around that or obviate that trouble by permitting him to make a certificate—or not a certificate, just turn in a voucher without supporting documentary proof?

Mr. MARTINY. The only time the Comptroller General has permitted the reimbursement for expenses on the basis of a certificate without supporting evidence is when it has been authorized by law.

Mr. JONAS. I am talking about authorizing it by law.

Mr. MARTINY. I believe the Comptroller General would recommend against that. It is provided that the judges may be reimbursed on the basis of their certificate. We didn't object to that, of course.

Mr. JONAS. Don't you think you might save money by following that suggestion rather than to authorize a blanket per diem of \$20?

Mr. MARTINY. No, congressman, we do not, because it has been our experience in the General Accounting Office that we can't rely too much on certificates unless they come from individuals in a very high level of Government. I will give you one illustration. The military personnel officers were permitted to be paid their dependency allowance in certain cases on their certificate. We found tremendous numbers of those certificates not supported by the evidence. It's the policy of the General Accounting Office or of the Comptroller General not to favor any expenditures solely on the basis of a certificate of the regular Government employees. So we would, I am sure, object to that.

Mr. JONAS. What about incorporating the two, a certificate, and provide that it not exceed the maximum?

Mr. MARTINY. That would be substantially the same as per diem.

Mr. JONAS. I mean, a man who spends less than \$25 would turn in a certificate that he spent \$18, you save \$7 a day.

Mr. MARTINY. I believe that is substantially the way a per diem allowance would operate. It would be up to the head of the department, of course, either to authorize that per diem in advance or to approve it after the travel, in case there was a travel emergency. So substantially you have the same thing in the proposal.

Mr. JONAS. That is all.

Mr. FASCELL. Would you also have an administrative problem under that suggestion? If you followed this thing and put the responsibility in the department head you could go to your source immediately and determine whether or not it is reasonable or unreasonable or whether it is arbitrary or discriminatory or otherwise, whereas if you did it on a certificate basis you would have to investigate each and every certificate.

Mr. MARTINY. There would be cases, yes; if you wanted to determine whether the practice was being abused, then you would have to investigate each certificate.

Mr. FASCELL. Whereas under your proposal all you would have to do is interrogate the head of the department?

Mr. MARTINY. That is right.

The CHAIRMAN. Proceed with your statement.

Mr. MARTINY. Section 2 of the bill would increase the existing \$10 maximum per diem to \$15 for persons serving without compensation.

Section 3, proposing to amend 28 United States Code, 1823 (a), would bring the travel rates for employees when traveling as witnesses

on behalf of the United States under the Travel Expense Act. This would obviate the necessity for separate amendatory legislation at this time or at such future date as the per diem rates under the Travel Expense Act are modified.

We are convinced that an increase in the maximum per diem rate from \$9 to \$12 or \$13 is justified.

Accordingly, we recommend that this subcommittee consider the changes suggested for the proviso to section 1 and that favorable consideration be given to H. R. 4918.

Mr. Chairman, we are very pleased to present this statement, and I will try to answer any questions you may have.

The CHAIRMAN. Mr. McCORMACK, do you have any questions?

Mr. McCORMACK. No.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No further questions.

The CHAIRMAN. Mr. Jonas, any further questions?

Mr. JONAS. No questions.

The CHAIRMAN. Mr. Martiny, is anyone else who accompanies you prepared to make a statement?

Mr. MARTINY. No, sir.

The CHAIRMAN. Thank you very much.

I believe the next witness is Mr. George Miller.

**STATEMENT OF GEORGE M. MILLER, LEGAL ADVISER TO THE  
ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL, DEPART-  
MENT OF JUSTICE; ACCOMPANIED BY EUGENE J. MATCHETT,  
CHIEF, ACCOUNTS BRANCH**

Mr. MILLER. Mr. Chairman, to identify myself for the record, I am George M. Miller, Legal Adviser to the Administrative Assistant Attorney General of the Department of Justice. I am accompanied by Mr. E. J. Matchett, the Chief of our Accounts Branch in the Department.

I have submitted a prepared statement, Mr. Chairman. And with your permission I will read it, and also with your permission I will interpolate remarks on occasion.

The CHAIRMAN. Proceed in that manner, then, Mr. Miller.

Mr. MILLER. The first two bills are identical and would substitute specified higher rates for existing per diems in lieu of subsistence and also increased rates for use of personally owned automobiles and motorcycles.

Since a serious study was made only of H. R. 4918, our remarks will be confined to the terms of that bill, the first section of which proposes to increase the maximum authorized commuted allowance in lieu of subsistence to \$13 from the present \$9, with provision for reimbursement of actual expenses in unusual circumstances, under regulations of the Bureau of the Budget.

It has long been recognized that there is a need for an increase in the subsistence rate. General price increases in food, lodging and miscellaneous travel expenses covered by the governmental term "subsistence" have made it necessary for employees to bear the difference between actual cost and the amount paid on their expense accounts. It is unnecessary to recite instances of inadequacy of the

present \$9 maximum as personal experiences bear out the need for an increase, as do the studies by the Bureau of the Budget. Sufficient to say that our travelers complain that lodging alone takes the major part of the present allowance, and in some cases all of or more than the \$9.

When the Travel Expense Act of 1949 became law, the Attorney General prescribed a sliding scale of rates as the standard within which bureau regulations might be framed, \$9 for the first 14 days in a travel status at any one place, \$8 for the next 30 days, and \$7 thereafter. This was designed to conserve funds as well as to serve as an incentive toward procurement of economical lodgings for longer sojourns in temporary duty stations.

Mr. McCORMACK. Which Attorney General issued those regulations?

Mr. MILLER. The Attorney General in office at the time in 1946.

Mr. McCORMACK. \$9, \$8, and \$7?

Mr. MILLER. Yes, sir—I beg your pardon, 1949.

Today the \$7 rate is seldom used and there has been pressure to establish one flat rate of \$9 per day. Action to that end has been deferred pending the outcome of present congressional attention to the subsistence question.

The actual expense feature of section 1 of the bill is both worthy and timely. Situations develop where a generally applicable standard rate is inadequate; for instance, a United States attorney attending at a term of court away from his headquarters may have to take quarters at the only hotel in town at rates in excess of the per diem allowed, perhaps occupying rooms adjoining the judge's, who receives \$15 per diem; agents or inspectors on a surveillance assignment may have to take expensive adjoining rooms in hotels to keep some individual under observation. Circumstances of the trip or the character of the assignment might call for unusual expenses not normally included in the regular rate. It is anticipated that this provision for actual expenses will relieve many situations where previously the employee had to make up the difference.

Departing from the written statement there, Mr. Chairman, the Department of Justice observation on this bill to the Bureau of the Budget suggested that it might be desirable to provide for the subsequent approval of actual expenses after a trip, because in our situation one cannot always anticipate in advance and include in travel orders the authority that the bill contemplates shall be included in the orders so as to obtain this actual expense reimbursement.

The one example that I have given here of an agent being required to follow a man around the country is self-explanatory. It would be a farce to require every agent's order to include the actual expense authorization in advance.

On the other hand it would be unjust to that agent if he found himself in a situation where he had to incur those expenses without that advance authority, to bear those extra expenses himself. We feel that under proper administrative control, first by regulations of the Bureau of the Budget and then Department regulations, such actual expenses could be authorized or approved. Those terms signify authorized in advance or approved after the fact.

The CHAIRMAN. Mr. Fascell.



Mr. FASCELL. Do I understand now from your testimony that under the present law and regulations that you have agents on cases where they are actually paying the difference between what is authorized and what they spend?

Mr. MILLER. That is common experience, Mr. Congressman. Today, of course, it is \$9.

Mr. FASCELL. And if a man spends \$20 a day for surveillance for extraordinary expenses he makes up the \$11?

Mr. MILLER. He cannot get it under the regulations of the Government, he must make it up; yes, sir.

Mr. FASCELL. Is he reimbursed indirectly in some other fashion?

Mr. MILLER. I don't know of any such instance.

Mr. FASCELL. Have we got any agents left?

Mr. MILLER. We do have; yes. The agents and the Government travelers under those circumstances take it as a part of their employment.

Mr. FASCELL. In other words, they reduce their actual salary by the amount of the excesses over the per diem that they have to pay?

Mr. MILLER. It amounts to that; yes, sir.

The CHAIRMAN. Mr. Miller, was the statement you made a moment ago in connection with the desirability of approval of expenses after travel has been performed directed toward a suggested change to section 1 of the bill?

Mr. MILLER. To section 1 of the bill.

The CHAIRMAN. Over in page 2, line 7, the language "in advance" appears, and you are suggesting "in advance and subsequent to the performance of the travel," or some such language?

Mr. MILLER. Mr. Chairman, it is suggested that language be used which would accomplish that result. May I offer as suggested language that lines 6 and 7 read: "conditions under which reimbursement for such expenses may be authorized or approved in the performance of a trip on"—which is the end of the line.

Mr. JONAS. You would just take out "in advance"?

Mr. MILLER. I would take out "in advance" and substitute "and approved," with other small changes.

The CHAIRMAN. Thank you.

Mr. JONAS. When you speak of an investigative agent are you referring to the Federal Bureau of Investigation agents?

Mr. MILLER. I had those specifically in mind. There are also instances in which employees in various capacities in the Immigration Service may have occasion to conduct what amounts to an investigation, a surveillance of suspects of violation of the immigration laws.

Mr. McCORMACK. And narcotics would be another case?

Mr. MILLER. That is true. I was confining my remarks specifically to Justice.

Resuming my statement, Mr. Chairman, section 2 of the bill likewise will alleviate a present problem when nongovernment executives and others are called to Washington for conference and will tend to relieve the surprise and discomfiture bordering on resentment which often followed the allowance of the previous sum of \$10.

Section 3 of the bill will permit the Attorney General to prescribe rates for Government employee witnesses to take effect simultaneously with any change in travel allowances for Government personnel generally, thus obviating the need for hurried action on legislation to

avoid the confusion and adjustments of accounts that occurred in 1949. Congress had passed the Travel Expense Act increasing the rates for official travel on ordinary business, but it was not until months later that equal travel allowances could be paid to the same employees for court attendance.

This section will automatically authorize an adjustment which can be put into effect immediately without the need of action by Congress. The section neither adds to nor subtracts from the present authority of the Attorney General to prescribe rates, but does facilitate such action and makes it possible to avoid the experience of 6 years ago.

Mr. Chairman, that concludes my prepared remarks. I thank the committee for the opportunity of appearing here. And I will be glad to answer such questions as may be asked, if I have the information.

The CHAIRMAN. Mr. McCormack, have you any questions?

Mr. McCORMACK. No questions.

The CHAIRMAN. Mr. Jonas?

Mr. JONAS. No.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No.

The CHAIRMAN. Counsel?

Mr. PINCUS. I have one question, if I may.

Mr. Miller, you stated in your prepared statement that "since a serious study was made only of H. R. 4918." That statement rather puzzles me, in view of the fact that there were three bills under consideration.

Mr. MILLER. Mr. Chairman, I will elaborate on that.

We in the Department of Justice have a legislative unit which refers to us, when committees request Justice comment on bills, the various bills that they think our staff is qualified to comment on. 3950, and the other one, 4169, I believe it is, came to us simultaneously after H. R. 4918.

It was our understanding that our comments were desired primarily on 4918, and we commented in full on that bill. Having commented on that, we contented ourselves with a statement to that effect when we returned the single report we made on H. R. 3950. And we did not go into details on the terms of H. R. 3950.

Mr. McCORMACK. What was the source of your understanding that you were to comment only on one bill?

Mr. MILLER. We understood, of course, that it was the bill the administration favored, and that the Department as a department more than likely would not comment on the other one unless requested by the Bureau of the Budget.

Mr. McCORMACK. In other words, the understanding emanated—the source of the so-called understanding that the Department sponsored them was the Bureau of the Budget?

Mr. MILLER. I presume so.

Mr. McCORMACK. Don't you have your own independent comment to make? Have you any independent comment to make as to what represents the Department's views?

Mr. MILLER. I have personal views, sir. We have a situation in the Department of Justice which I am glad to comment on.

I am not prepared to discuss what the Bureau of the Budget representative presented to you, as to the costs—not costs, but the payments made—in private industry to employees for the use of their

own automobiles. We, of course, pay the 7 cents per mile rate to our employees. This rate may or may not be fair, depending on what the factors are when you arrive at the allowance made. I do not know whether in the Bureau of the Budget study or the studies made by those organizations on which it relies there was taken into account the capital investment of the employee in that automobile.

On an operating and maintenance basis the average individual can get along on 7 cents a mile if you take into account only the gasoline and the oil and the repair charges. But if you take into account the capital investment—which some people may call depreciation—by the Government's own figures you can't make ends meet. The average Government maintenance and operation figure by the General Services Administration publication is 4.15 cents per mile. Then you must bear in mind that that figure is arrived at by not taking into account certain expenses of the average individual which the Government does not bear.

For instance, the Government does not pay the sales tax on gasoline that is put into the tank. Nor does it usually pay the full going rate for mechanical services, the labor charges. It does not pay the full parts rate. I used to supervise a contract unit, and I examined the costs on the contracts for repairs of cars. And I observed that frequently on competitive bidding the parts prices were from 20 to 40 percent off list. I don't know whether that practice still prevails in competitive bidding for the repair and the maintenance of government automobiles, but if so, there is a decided price advantage that the government enjoys and which is not reflected in its cost figures of 4.15 per mile.

The labor charges usually are cheaper on a competitive contract than they are to you and me if we had our automobiles repaired privately.

So that by and large 4.15 cents for maintenance for a government car is considerably less than you and I would pay on our own cars.

The next point I wanted to bring out is that for expenses of the car itself, which enter into the problem, if you assume an actual cost of \$2,700 for an automobile—and that today is not excessive—and if you assume a life expectancy of that automobile of 60,000 miles, you have an investment on a mileage basis there of 4½ cents a mile added to the maintenance charges, which we previously accepted at the Government figure, 4.15—and those figures, I submit, are not quite sufficient. You have 8.65 cents per mile already, and you still have a long ways to go for private expenses. You have your insurance, you have your overhead such as storage expenses if you garage your car, you have taxes, personal property taxes, you have your license tag expenses, whatever they may be in your various localities. And by and large, Mr. Congressman—I have made a little study of this on my own, for my own satisfaction, in connection with certain other nongovernment projects. And it seems to me that the very minimum a person can operate his car on, taking the factors into account that I have mentioned, is in the neighborhood of 10½ cents a mile. That is my approach to it.

Mr. JONAS. Before you leave that, Mr. Chairman, may I ask a question?

The CHAIRMAN. You may.

Mr. JONAS. Aren't you assuming that an individual uses this automobile exclusively in the Government service? Are you making any accounting for his private use of it not in a travel status?

Mr. MILLER. Mr. Jonas, I was just coming to that. I was talking as if the individual did use the car exclusively for Government.

Mr. McCORMACK. There are a lot who do, aren't there?

Mr. MILLER. Yes, there are.

Mr. JONAS. Considering the fact that the Government owns about 275,000 automobiles, it doesn't look like we ought to have too many people running their own cars in the Government service on a permanent basis, Mr. McCormack.

Mr. MILLER. On that, if you will let me state it in my own way, sir, I think I will bring it out.

The Congress has provided for automobiles for the use of the Federal Bureau of Investigation. It has provided for similar ones for the Immigration and Naturalization Service, and, to some extent, for the Bureau of Prisons. But there is one area in the Department of Justice where no provision whatever has been made for official automobiles. And it was in that connection, incidentally, that I made my little private study of the cost of automobiles.

That area is the service of the United States marshal. Congress has never seen fit to give marshals official cars. Marshals must travel all over the country in the service of processes— not on traveled highways, necessarily, but up into the back country, or anywhere, to locate the man or the individual they are trying to serve, or to make arrests, if you please.

The United States marshal and his deputy must finance an automobile in order to effectively carry on their work. And in that connection, many, many of them buy an automobile for Government use almost exclusively and wear it out for that purpose. In that situation there is an exception, it seems to me, to the usual approach that you should pay only the actual expenses of operation, or just a little tiny bit more. A little tiny bit more wouldn't buy that man an automobile and keep it in operating condition whereby he can perform his work—and incidentally, save the Government a lot of money.

If that statement seems a little bit fantastic to you, may I make this remark. A deputy marshal is in addition to being a process-serving officer, a man utilized by the Attorney General to commit prisoners to institutions. Of course, that is in a way a service of a process, a writ of commitment, of course. But here is what happens. The marshal or the deputy with a guard will travel the necessary distance to transport 1, 2, 3, sometimes 4 persons in an automobile to an institution, for which he receives reimbursement at 7 cents a mile.

The CHAIRMAN. Per person, or himself?

Mr. MILLER. For one trip.

Now, if you were traveling by commercial carrier—

Mr. JONAS. Doesn't he elect to do that? He isn't ordered to do that; is he? Doesn't he have the election of using a public utility?

Mr. MILLER. He has that election, Mr. Congressman. But if he did elect that, he would find himself so far in arrears by the end of the month that he would never get his work done.

There isn't a sufficient number of deputies to take care of a thing like that by using the slow means of common carrier.

The CHAIRMAN. May I ask a question there? You estimated that the life of an automobile was, say, 60,000 miles?

Mr. MILLER. Yes.

The CHAIRMAN. And you also estimated the expenses during its lifetime. Those would apply whether he used the automobile personally or whether he used it in the performance of his duty, wouldn't they?

Mr. MILLER. Yes, they would.

The CHAIRMAN. So if you estimate on a mileage basis the figures would be no different than they would be for an ordinary trip?

Mr. MILLER. That is true. But I tried to point out—

The CHAIRMAN. If you use it exclusively, I mean.

Mr. MILLER. Yes, sir. I tried to point out that in some instances employees use their cars occasionally when, perhaps, there might not be any complaint—

The CHAIRMAN. All right, let's look for a moment at this situation where you have based your figures on a 60,000-mile lifetime. Now, what does it matter whether he used it in the service or whether he used it to carry prisoners in that 60,000 miles?

Mr. MILLER. It doesn't really matter from an equitable standpoint.

The CHAIRMAN. That is what I mean, from an equitable standpoint.

Mr. MILLER. There is no question about it.

The CHAIRMAN. Or whether he used it exclusively or intermittently, if you make the basis of your test 60,000 miles, it doesn't matter as long as he completes the 60,000 miles.

Mr. MILLER. It does not.

Mr. JONAS. It matters, Mr. Chairman, to this extent, that if he uses his car 50 percent of the time for his personal family use the Government ought not to be responsible for that.

The CHAIRMAN. No; the Government isn't responsible.

Mr. JONAS. Therefore, the life expectancy in that event is only 30,000.

The CHAIRMAN. Maybe you and I approach it from different angles, for this reason. The life of this car is 60,000 miles. I use 30,000 of it for myself. I use 30,000 for the Government. But the cost is the same for the 60,000 miles, it doesn't matter how I use it, it will still cost me so much a mile when I use my 30,000. And it doesn't cost the Government any more when I use up my other 30,000 in the Government service, if I make 60,000 miles the basis of my calculation.

Mr. JONAS. I think if you use 60,000 miles you take that from General Services' estimate on the usual and normal life of an automobile.

The CHAIRMAN. That is right. So it won't matter whether you use part of it for your own private use or part of it for the Government, the cost to you is going to be the same for that 60,000 miles.

Mr. JONAS. It makes this difference, it seems to me. He considers the full cost of the automobile as having been absorbed in the 60,000 miles, and only half of it was absorbed in working for the Government.

The CHAIRMAN. And the Government is benefited by my having the car available to help them when they need it.

Mr. MILLER. Mr. Chairman, on that point I would say that as to using the full cost for Government service, I wouldn't follow that approach, I would use one-half of the cost of the automobile for half the use.

The CHAIRMAN. I see. What would be the difference in dollars and cents?

Mr. MILLER. In dollars and cents—rather, on a mileage basis there would be no difference.

Mr. JONAS. But you divide the 2,700 into 60,000?

Mr. MILLER. Yes.

Mr. JONAS. To keep it correct, you ought to divide it into 30,000.

Mr. MILLER. I would divide \$1,350 by 30,000. The result would be the same, per mile.

Mr. Chairman, I am at the moment speaking personally. And I was using an illustration when we got off on this discussion about the cost of transporting this group of prisoners.

We made a comparison, and on a round trip of 500 miles by railroad, the cost of 2 deputies transporting 2 prisoners using pullman accommodations would be approximately \$112.50; making that same trip by automobile using a 10-cent-a-mile rate it would be \$50. The Government saves through that voluntary use of the automobile \$62.50. We in the Department of Justice are doing everything we can under the circumstances to encourage the use of privately owned automobiles on these prisoner trips.

Mr. FASCELL. For what reason?

Mr. MILLER. For the reason of economy, and expediting prisoner movements. And we are having, we think, reasonable success in doing that even at the 7-cent-a-mile rate. But with the increased costs, gentlemen, I don't see how the deputies really are making out. They are kidding themselves if they think they are making anything on it, because the figures do not substantiate that belief.

Mr. FASCELL. Do you feel that this is a special problem that applies only to the Justice Department, or is it general in nature?

Mr. MILLER. I think that the mileage problem is general in nature. But we have a special problem due to our specialized type of service. And frankly, I am hoping that someday we may be called on to comment on one of the special bills that are introduced for the benefit of marshals. There was such a bill back in 1948, I believe, when the mileage rate was 5 cents a mile for Government personnel generally, and Congress saw fit to increase it to 7 cents a mile for the marshal service just because of those special considerations that obtain in their work. I have nothing to say in derogation of the work of any other Government agency. But my particular love is the marshal service, if I may be allowed to express that.

Mr. FASCELL. Do you feel that if this bill were amended to provide some discretionary latitude with respect to extra heavy workloads on mileage that that would be satisfactory without raising the present mileage allowance?

Mr. MILLER. Mr. Congressman, it probably would be satisfactory, but in the absence of seeing it written out to know how it would work, I would be unable to comment.

Mr. FASCELL. In other words, you don't feel—

Mr. MILLER. I don't feel that I can comment on something that I don't understand. If you can make a satisfactory allowance or provide for actual expenses in some way—

Mr. FASCELL. Either in advance or approved subsequent to the trip?

Mr. MILLER. Yes; it would be very desirable from the standpoint of these men who are doing an excellent job for us.

Mr. FASCELL. Then, as I understand it, you recommend raising the mileage rate to 10½ cents flat or providing reimbursement or approval on an actual expense basis.

Mr. MILLER. That would be my personal feeling; yes, sir.

The CHAIRMAN. Thank you very much, sir.

Does your associate wish to make a statement?

Mr. MILLER. No; he does not.

The CHAIRMAN. This is Mr. Ralph S. Roberts.

**STATEMENT OF RALPH S. ROBERTS, ADMINISTRATIVE ASSISTANT  
SECRETARY, DEPARTMENT OF AGRICULTURE**

The CHAIRMAN. Identify yourself for the record, please, Mr. Roberts.

Mr. ROBERTS. Mr. Chairman, my name is Ralph S. Roberts; I am Administrative Assistant Secretary of the Department of Agriculture.

I do not have a prepared statement, Mr. Chairman. With your permission I would like to speak from notes.

I appreciate the privilege, Mr. Chairman and members of the committee, of appearing before your subcommittee and discussing with you our viewpoints on these bills, H. R. 3950, H. R. 4169, and H. R. 4918, all of which contain proposals for increasing the maximum per diem allowance payable on official travel and some other related provisions.

At the outset, let me say that we prefer enactment of H. R. 4918. As I will indicate a little later on, we feel that there is factual support in our experience in the Department of Agriculture for the enactment of that bill.

I would like to take just a few moments of the committee's time to discuss the policies and procedures in the Department of Agriculture as they are outlined in our administrative regulations and as those regulations are implemented in the bureaus and agencies of the Department.

We have in the Department, in our administrative regulations, a policy statement which guides the heads of our agencies in the authorization of official travel. We have also provided them with guides and standards for the allowance of per diem under particular circumstances.

Our regulations contain the following policy statement which I think will help the committee to understand the reason for our very low per diem rates in connection with certain types of travel.

The regulations read as follows, in part:

Under the provisions of the Standardized Government Travel Regulations the per diem allowance is intended to cover an employee's necessary authorized expenses for subsistence while he is traveling on official business. An ideal rate would be one by which, with due regard to economical expenditures, as well as equitable treatment of employees, the individual would receive an amount neither in excess nor below necessary authorized expenses when required to travel for the Government.

In establishing such rate all factors that bear upon a fair and equitable per diem allowance, both from the standpoint of the traveler and the Department need, shall be taken into consideration. There are certain primary factors that must be considered in the fixing of per diem rates such as: 1, the relative cost of living in the area in which travel is to be performed; 2, the length of the stay at

the particular point, since continuous abode for prolonged duration at the same lodging offers advantages of reduced rates, savings of tips, and other expenses; 3, train travel which involves extensive use of overnight pullman facilities, thereby eliminating hotel or other lodging expenses; and 4, travel where lodging and meals may be obtained at motor courts, camps, farmhouses, sawmills, timber operations, Government facilities, and other places where costs are usually moderate.

When per diem rates are prescribed in annual letters of authorization, which should be issued only under unusual conditions, they should provide for a degree of flexibility that will permit adjustment for the varying conditions which may apply, or the rate should be fixed at points where they meet the average conditions of travel of particular individuals over the periods covered by the authorizations.

In the Department of Agriculture, as members of this committee know, I am sure, our operations are highly centralized. They must be of necessity, because we have many employees in the field who are working with farmers, with timber operators, with processing plants, and so forth, that are far outside the areas of dense population, the usual areas where costs are inordinately high. We have thus delegated responsibility to agency heads to establish rates within the framework of these Department regulations and the policy statement which I have just read.

Under these regulations, and within the present \$9 maximum, the average per diem paid in the Department of Agriculture in the fiscal year 1954 was \$6.72.

Unquestionably that low rate of per diem reflects what I believe is a conscientious effort on the part of the Department of Agriculture to administer a sound and economical program of travel. In large measure, however, it is due to the fact that 75 percent of our travel is in rural areas, small towns, county seats, and so forth, where the costs are generally lower than in urban areas. It also reflects the fact that large amounts of travel in some agencies is conducted in the mountainous areas such as the national forests where it is possible for the employees to live on substantially reduced per diem allowances.

Let me cite the Forest Service, for example, where 46 percent of its travel is at a per diem rate of \$5 or less. They have found that it is equitable and fair to the employee to allow rates of less than \$5 where the employee is inspecting ranger stations, timber camps, places of that character.

We have the same situation in the Agricultural Research Service where a per diem of \$5 or less is allowed for crews that are working on eradication programs on various infestations of plant and pest diseases; in relatively uninhabited areas where crews stay at 1 location 2, 3, or 4 weeks at a time.

In the Farmers' Home Administration, the Rural Electrification Administration, and the Soil Conservation Service, where approximately 80 to 90 percent of the travel is in the field in rural areas visiting farms, working out of county seats in many places, a per diem rate has been found to be adequate at \$8.

Now, I don't want to leave the impression that the Department is satisfied with the present \$9 maximum. Quite the contrary is true. There is a serious need for administrative flexibility to fix equitable and fair travel rates to employees, particularly where travel involves areas where the costs are high, and where subsistence costs exceed the \$9 maximum. The traveler in those cases is forced at the present time to absorb the difference from personal funds. And we estimate that roughly 25 percent of our travel in the Department of Agriculture



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is in the larger cities or the urban areas where we are either pushing the maximum at the present time or have exceeded it. We have made some surveys, sample surveys, in the Department----

Mr. JONAS. Pardon me for interrupting there. May I ask a question? Why would you have that much travel in urban areas?

Mr. ROBERTS. When I am speaking of urban areas I am speaking primarily of cities that exceed 50,000 in population. They are not the big metropolitan areas you have in mind.

Mr. JONAS. Why would you have much travel in those areas?

Mr. ROBERTS. We have a good deal of travel out of State offices, you see. We have travel out of regional offices. Then, of course, there is some travel from national headquarters.

Mr. JONAS. But you said 25 percent of your travel.

Mr. ROBERTS. That would be in areas--would involve travel in areas of about 50,000 population or more, yes, sir. That includes many of your locations in which land-grant colleges and other educational institutions are located. We have a great deal of cooperative work with them. We also have many commodity graders and inspectors and market news reporters who work exclusively in urban areas.

We have made some sample surveys in the Department that indicate that in our opinion the \$13 maximum per diem allowance in section 1 of H. R. 4918 would meet our Department needs. That is assuming, of course, that the special authority under the special proviso of that section to establish higher rates on an actual expense basis under special circumstances would also be approved.

These surveys indicate, for example, that in our Agricultural Conservation Program Service, in the higher cost areas I was speaking of, the average over a period of time was \$12.40. In the Agricultural Research Service in certain of the sections east of the Mississippi, the average during the period covered by the study was \$9.72. West of the Mississippi in the same study with the same type of work involved, it was \$9.68. In our Commodity Stabilization Service where we are dealing with large commodity operations, and our commodity offices are located in the larger cities of the country, the average was \$12.94. Our Farmer Cooperative Service, based on travel for the entire organization over a 90-day period, was \$9.29. The Forest Service in the higher cost cities, and excluding travel in the national forest areas, was \$10.31.

So I think it is rather clear that there is a basis for an increase in the per diem rate, and also that \$13 would meet our needs.

We want to support especially, too, Mr. Chairman, the special proviso for actual expenses. There are circumstances under which a \$13 rate or even a \$15 rate would not be adequate to reimburse the employee for his out-of-pocket expenses, and feel that the special provision is appropriate in order to avoid the employee paying costs of Government cost from private funds.

The CHAIRMAN. Should we establish a maximum in that proviso?

Mr. ROBERTS. I would recommend not, Mr. Chairman. I am of the opinion that if we are going to have a special proviso, the object of which is to pay for the cost to the employee, we ought to be able to pay the total cost and not fix what might be considered an arbitrary ceiling on it. The special proviso would be used, however, only in

limited cases. It would not be for general use, at least in the Department of Agriculture.

Mr. JONAS. What about a proviso to take care of actual expenses based on certification, but not to exceed a maximum?

Mr. ROBERTS. Mr. Jonas, I like the certification idea very much. But again, I don't like to see a maximum written in when the purpose of the special proviso itself is to cover total costs. I think there is a basis for considering the possibility of permitting the special proviso to operate on an approval basis as well as in advance, for the same reason.

The CHAIRMAN. What about mileage?

Mr. ROBERTS. On mileage, Mr. Chairman, I find myself at complete odds with the witness from the Department of Justice. Our average mileage rate for the entire Department of Agriculture in 1954 was 6.6 cents per mile. It has averaged 6 and a fraction cents now for 4 or 5 years. We have a good many employees using their privately owned cars. Also in two agencies, the Forest Service and the Soil Conservation Service, we have a large number of Government-owned cars. We have found that our average cost of operating and maintaining the Government-owned cars has run just under 4 cents a mile. That does not, of course, include insurance or depreciation. But we are not having difficulty at the present rate, Mr. Chairman.

The CHAIRMAN. Don't you think it should include it?

Mr. ROBERTS. Yes. But we feel that the mileage rate we are now allowing, within the 7-cent maximum to operate privately owned vehicles does cover insurance and depreciation.

The CHAIRMAN. Do you do your own repairs and maintenance?

Mr. ROBERTS. On our Government-owned cars in some cases it is done in our repair shops. That is true largely in the Forest Service and in SCS. But in the agencies that have fewer cars the repair work is done by commercial people.

The CHAIRMAN. Any other questions, Mr. Jonas?

Mr. JONAS. No, sir.

The CHAIRMAN. I am not satisfied on this mileage. You say you are hitting better than an average of 6 cents now, and you have been for the last 5 years.

Mr. ROBERTS. It has not varied much, Mr. Chairman.

The CHAIRMAN. You don't think it is getting any cheaper to operate an automobile, do you?

Mr. ROBERTS. In 1950 our average per mile was 6.3 cents. In 1951 it was 6.2.

The CHAIRMAN. You mean it is going down?

Mr. ROBERTS. Well, it did that year. That I can't explain. In 1953 it was 6.6, and in 1954 it was 6.6.

The CHAIRMAN. Don't you think that indicates that since it was established at seven that it is indicated in this legislation to raise that cost of mileage?

Mr. ROBERTS. What the future holds I couldn't say, Mr. Chairman. But certainly we have no factual basis right now for recommending an increase based on our experience.

The CHAIRMAN. If it has been consistently going up, I see nothing in the immediate future to cause it to go down or remain stable, do you?

Mr. ROBERTS. We would hope it wouldn't go up much more, Mr. Chairman.

The CHAIRMAN. You are within a few points of seven now, and you are leaving it at seven?

Mr. ROBERTS. Yes; and I think we can live with seven for the time being, Mr. Chairman.

The CHAIRMAN. You think you can live with it, but can that employee live with it and not be paying anything out of his pocket for doing the Government's business?

Mr. ROBERTS. I believe so. In the Department of Agriculture we think so.

The CHAIRMAN. The Department of Agriculture has operated very appreciably and actively in shaping up this mileage. But I do not think that applies to the general run of Government employees. I think because of the nature of the service you are rendering it would not apply.

Mr. JONAS. May I ask a question?

The CHAIRMAN. Certainly.

Mr. JONAS. Have you had any complaints from employees in the field concerning their mileage?

Mr. ROBERTS. We have had one complaint, Mr. Jonas, that has been rather persistent over a couple of years. It applies not to mileage for automobiles, but to mileage for the use of a privately owned airplane. It is from a man who works out in the vast reaches of the West, and chooses of his own volition at times to travel by privately owned airplane; he has a small plane. But generally we have not had complaints.

Mr. JONAS. You have no substantial number of complaints?

Mr. ROBERTS. No, sir.

The CHAIRMAN. Thank you very much, sir.

Mr. JONAS. I would like to ask that same question to Mr. Miller with respect to his deputy marshal.

The CHAIRMAN. He has gone.

Now, on the question of whether we shall continue on or adjourn and return after lunch, what would be your wishes in the matter, Mr. Jonas?

Mr. JONAS. How many more witnesses care to testify? It is possible that if they are all in support of the bill, some of them might like to just file their statements.

The CHAIRMAN. That is what I was about to say.

If there is anybody who is against this bill, who has ideas that are against it, we will hear him now.

(No response.)

The CHAIRMAN. Those who wish to file statements, those that are in support of it, that is, we will receive your statements at this time and you won't have to come back.

Will you stand up and identify yourself and file your statements?

**STATEMENT OF THOMAS G. WALTERS, OPERATIONS DIRECTOR,  
GOVERNMENT EMPLOYEES' COUNCIL, AMERICAN FEDERATION  
OF LABOR**

Mr. WALTERS. My name is Thomas G. Walters, operations director of the Government Employees' Council of the American Federation of Labor, in support of H. R. 4169.

(The statement of Mr. Walters is as follows:)

**STATEMENT OF THOMAS G. WALTERS, OPERATIONS DIRECTOR, GOVERNMENT  
EMPLOYEES' COUNCIL, AMERICAN FEDERATION OF LABOR**

Mr. Chairman and members of this committee, by way of introduction, my name is Thomas G. Walters, operations director of the Government Employees' Council of the American Federation of Labor, 100 Indiana Avenue, NW., Washington 1, D. C., phone Executive 3-2820 and 3-2821.

The Government Employees' Council of the American Federation of Labor is made up of 21 national and international unions whose membership, in whole or in part, are civil-service employees. The total Federal and postal employee membership of the Government Employees' Council is more than 500,000.

We of the Government Employees' Council, A. F. of L. have appeared before many committees of Congress during the past few years, and strongly recommended that subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government be increased in keeping with the cost of the present-day subsistence expenses and transportation.

We are sure that no Member of Congress believes that the present allowances are adequate, and from the Members of Congress that I have talked with the only difference of opinion is the amount of per diem and the amount of transportation that should be allowed.

We believe that the provisions of H. R. 4169 are in keeping with present-day cost and we, therefore, strongly recommend that the provisions of H. R. 4169 be approved by this committee and that the 1st session of the 84th Congress will approve the legislation before adjournment.

We appreciate the opportunity of appearing before this committee and stating our position on the legislation to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

The CHAIRMAN. Thank you, Mr. Walters.

**STATEMENT OF LUTHER C. STEWART, PRESIDENT, NATIONAL  
FEDERATION OF FEDERAL EMPLOYEES**

Mr. STEWART. Mr. Chairman, Luther C. Stewart, president, National Federation of Federal Employees, in support of the legislation.

Copies of my statement have already been furnished to the staff.

The CHAIRMAN. Fine.

(The statement of Luther C. Stewart is as follows:)

**STATEMENT OF LUTHER C. STEWART, PRESIDENT, NATIONAL FEDERATION OF  
FEDERAL EMPLOYEES**

Mr. Chairman and members of the committee, in appearing before you to present our views on the subject of allowance for subsistence to employees in travel status and to fix mileage allowance for travel on official business in privately owned automobiles or motorcycles, I desire to point out that placing employees in travel status is an administrative decision made in the interest of the Federal Government, the employer. It therefore follows that allowance should be fixed at a figure which will reimburse the employee for the necessary outlay incident to travel.

Under the present maximum limitation of \$9 per day for subsistence and 7 cents a mile for privately owned automobiles used on official business, employees are required to expend from their own personal funds in order to make up the

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difference between what the Federal Government allows and what is actually required in order to maintain themselves while in travel status. That such a situation is manifestly unfair requires no argument.

We endorse H. R. 4918 which will have the effect of increasing the present \$9 per day to \$13.

We are in agreement with the provision that heads of departments and agencies may, when unusual conditions arise, authorize actual necessary expenses in excess of the proposed \$13 maximum. We would suggest, however, that on line 1, page 2, of H. R. 4918, the word "much" be stricken as this is a vague term, and its elimination would leave to the judgment of the department or agency head the question whether the excessive cost of subsistence justified the additional allowance.

We recommend that section 3 of H. R. 4918 be amended so as to provide a maximum allowance for travel by privately owned automobile of 10 cents per mile and by privately owned motorcycle of 6 cents per mile.

With the above suggested changes we endorse H. R. 4918 and urge its prompt and favorable consideration by your committee.

The CHAIRMAN. Thank you very much for your interest and your presence.

**STATEMENT OF JOSEPH P. HOCHREITER, CHIEF, STANDARDS  
DIVISION, DIRECTORATE OF CIVILIAN PERSONNEL, DEPART-  
MENT OF THE AIR FORCE, REPRESENTING THE DEPARTMENT  
OF DEFENSE**

Mr. HOCHREITER. I am Joseph P. Hochreiter, Chief, Standards Division, Directorate of Civilian Personnel, Department of the Air Force, representing the Department of Defense.

(The statement of Mr. Hochreiter is as follows:)

**STATEMENT OF JOSEPH P. HOCHREITER, CHIEF, STANDARDS DIVISION, DIRECTOR-  
ATE OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE, REPRESENTING  
THE DEPARTMENT OF DEFENSE**

Mr. Chairman, members of the Government Operations Committee, I am Joseph P. Hochreiter, Chief, Standards Division, Directorate of Civilian Personnel, Department of the Air Force. On behalf of the Department of Defense, I want to thank the committee for this opportunity to present the Department's views on these bills.

The Department of Defense strongly supports an increase in the maximum per diem allowance of \$9 presently provided in the Travel Expense Act of 1949.

The Department of Defense believes that when an employee is required to travel, he should be reimbursed for expenses resulting from such travel but should neither gain nor lose money in the process.

This philosophy is reflected in existing Department of Defense regulations on civilian travel. It is predicated upon certain basic principles, one of which I would like to quote from Department of Defense Directive 1420.1, August 20, 1952:

"1. No employee should be forced to pay for directed Government travel at his own expense; conversely, no employee should be allowed to make a profit out of Government travel."

It has been a common experience for civilian personnel traveling on official business to find that the present \$9 maximum is inadequate to cover necessary expenses. Some specific examples which are considered as fairly typical cases within metropolitan areas are:

An employee was requested by American Telephone & Telegraph Co. to represent the Department of the Air Force at a meeting in Chicago; company had made reservations for employee at hotel commonly used by the company; after assignment to his room, employee found that daily rate was \$9; no other room was available at a lower rate.

An employee traveled to Boston; total expenses were \$42.10 of which \$17 was for hotel room for 2 nights. The per diem collected amounted to \$22.50. The employee's loss was \$19.60.

An employee traveled to Colorado Springs, Denver, and Omaha; his total expenses for the trip were \$114.50, of which \$50.50 went for hotel rooms. Per diem collected amounted to \$78.75. The employee's loss was \$35.75. Based upon the figures compiled by the Bureau of the Budget and some research of our own, we believe that the \$13 maximum contained in H. R. 4918 is more appropriate at this time than the \$15 figure contained in both H. R. 3950 and H. R. 4169. The reasoning upon which this is based is as follows:

(a) Based upon a 1954 survey of all 48 State governments, for personnel employed by State employment security agencies, only 1 State provided for a maximum of less than \$9, with 1 State providing the same, and all others providing a larger amount by—

- (1) providing for reimbursement of actual expenses incurred, or
- (2) providing a set amount for meals plus actual hotel expenses, or
- (3) providing a set amount for hotels plus actual other expense.

(b) For income-tax deduction purposes, the Bureau of Internal Revenue recognizes that for those returns of Federal employees in which deductions are itemized, reasonable subsistence expenses above the present \$9 maximum incurred in official travel away from home are allowable.

(c) Based upon published figures of well-known hotel cost accounting firms it can be safely said that the present average cost of hotel rooms is in excess of \$7.50 per day; based upon yearly published figures of the American Automobile Association the average cost of meals is approximately \$4.50 per day; based upon employee experience, it is reasonable to say that additional costs for incidentals will average about \$1 per day. The total of these costs will therefore average around \$13 per day.

While it will be true that in some cases the \$13 per day will be exceeded, it is suggested that at this time there is no concrete evidence to justify on the average more than the \$13 maximum.

However, the Department of Defense is gratified to find that H. R. 4918 does make provisions for taking care of certain cases by allowing heads of departments to prescribe conditions (in accordance with Bureau of Budget regulations) under which reimbursement would be allowed where the maximum per diem allowance would be much less than the amount required to meet actual and necessary expenses. We feel this is entirely appropriate, is in keeping with the philosophy previously expressed, and urge its retention in the proposed bill. While, as H. R. 4918 states, these are "unusual circumstances," we know they do exist at times and feel that it is only fair and equitable to provide for the contingency.

For example, it is sometimes necessary to send an employee to a location where, because of the season or because of unusually heavy demands on hotel accommodations caused by convention crowds or other large transient group concentrations, he is compelled to use higher cost accommodations.

If this provision is enacted, the Department of Defense will establish strict controls to assure that it is applied only in unusual circumstances. In this respect, the committee's attention is invited again to the manner in which the Department controls the present \$9 maximum. If this additional authority is granted, the new directive will have similar controls.

Of equal importance to the question of what this increase in individual per diem allowance should be is what the total cost of this increase will be to the Department of Defense. This cost cannot be estimated with complete accuracy because, as indicated above, the basic premise of the Department of Defense travel policy is the principle of "no gain or loss," and if this increase is enacted, necessarily we will feel an even greater compulsion to exercise controls on prescribing the new maximum than we presently have under current regulations. Therefore, it is not possible to forecast with accuracy the number of cases in which the maximum rate will be authorized.

We have advised the Bureau of the Budget that we have an estimated \$95 million for travel of civilians in the fiscal year 1956 budget. We estimate that per diem costs represent about \$48 million of this total. An increase in the maximum of \$9 to \$13 represents a 44 percent increase, or a total of \$21 million. This represents the maximum possible increase in travel per diem. However, since it has been and will continue to be our policy to provide for per diem rates at less than the maximum when circumstances do not justify the maximum, the cost of \$21 million would be the top limit possible and would in actual practice be reduced by the number of trips made at a lower rate than \$13.

The Department also wishes to support that provision of the proposed bill which provides for an increase from \$10 to \$15 for personnel performing service without compensation. This change would make this provision consistent with the \$15

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per diem provided for experts and consultants appointed under Executive Order 10182, pursuant to the provisions of Public Law 774, 81st Congress (Defense Production Act). It should be noted in this connection that the type of personnel who are selected on this basis are recognized experts in their field and who are contributing their time and knowledge to the Department without monetary reward. It would therefore not be appropriate in our view to expect that they should be subjected to additional out-of-the-pocket expense while so working. Insofar as concerns additional cost for this change, our estimate is that the \$5 increase would total less than \$10,000 annually.

As to the question of increase in mileage allowance, the Department of Defense is in agreement with the Bureau of the Budget to the effect that present evidence does not require a change in this provision. Therefore, we do agree with H. R. 4918 and do not concur with the proposed changes as reflected by H. R. 4169 and H. R. 3950.

The CHAIRMAN. Thank you.

**STATEMENT OF RUSSELL M. STEPHENS, PRESIDENT, AMERICAN  
FEDERATION OF TECHNICAL ENGINEERS, AMERICAN FEDERATION  
OF LABOR**

Mr. STEPHENS. Mr. Chairman, my name is Russell M. Stephens, president of the American Federation of Technical Engineers of the American Federation of Labor, filing a statement in support of H. R. 3950 and H. R. 4169.

(The statement of Mr. Stephens is as follows:)

**STATEMENT OF RUSSELL M. STEPHENS, PRESIDENT, AMERICAN FEDERATION OF  
TECHNICAL ENGINEERS, AMERICAN FEDERATION OF LABOR**

Chairman Dawson and members of the subcommittee, my name is Russell M. Stephens. I am president of the American Federation of Technical Engineers affiliated with the American Federation of Labor.

The organization which I represent includes members employed by the United States Government in the fields of engineering, architecture, and allied technical occupations. Approximately 20 percent of our membership is in the service of the Federal Government.

I am pleased to have been afforded the opportunity to present the favorable endorsement of our organization with respect to H. R. 3950 introduced by Congressman Gardner M. Withrow, of Wisconsin, and H. R. 4169 introduced by Congressman Earl Chudoff, of Pennsylvania, which provide for an increase of the per diem allowance in lieu of subsistence for employees of the Federal Government on authorized travel orders within the continental limits of the United States. Those bills would increase the allowance to \$15 per day maximum from the present \$9 per day limitation. The bills above mentioned also provide that employees using their own automobiles or motorcycles in such travel status would have their transportation allowance increased from 7 cents to 12 cents per mile in the case of an employee traveling by private automobile, and from 4 cents to 6 cents per mile in the case of an employee traveling by motorcycle. While the highly respected chairman of the Committee on Government Operations has sponsored H. R. 4918 in the present session of Congress, we feel that the \$13 per day per diem allowance specified in Congressman Dawson's bill is less than present hotel and meal costs would justify. Therefore, while we heartily appreciate Congressman Dawson's sincere interest in the welfare of the Federal employee, as evidenced by his introduction of the foregoing-mentioned legislation, we must support the bills introduced by Congressman Withrow and Chudoff as being more in line with present-day travel costs. The members of our organization being in the engineering services of the United States Government travel as much, if not more, in the performance of their duties than most other groups of employees of the Federal Government. Many of the manufacturing projects which are designed and engineered in Government-operated establishments are manufactured and produced on contract by private production facilities, and it is necessary that federally employed engineers maintain constant liaison in the status of Government representatives between their design branches and the contract facility. In other words the Government engineer and designer who has

conceived and formulated the plans and blueprints for production is called upon to act as the Government watchdog to guarantee that the product purchased with Government funds is manufactured according to previously planned specifications.

You can see therefore, that a great many of the people whom I am privileged to represent are in travel status a great deal of the time.

Under the present allowable per diem reimbursement of \$9 per day, it is necessary that those of our members traveling frequently are forced to spend a great deal of their personal salary checks in order to cover the cost of living away from home, which cost is much in excess of the \$9 per day presently allowed. Year after year delegates to our international conventions representing our Federal locals have presented resolutions to our conventions mandating our international union to work toward an increase in travel allowance.

For many years prior to 1952 the constitution of our international union stipulated a \$12 per day subsistence allowance for officers and employees of our international union traveling in behalf of our organization. This was changed to \$15 per day by action of our 1952 convention, which \$15 per day has since proven inadequate to cover the cost of hotels and meals in most major cities. As a result I intend to sponsor at our next convention a resolution to increase the travel allowance of our representatives to \$20 per day. I myself travel frequently and know from first hand that in many cases my hotel bill runs as high as \$12 per day and I can furnish the committee hotel receipts to prove my statement.

I have studied the statement prepared by James A. Campbell, president of the American Federation of Government Employees. This statement is backed with statistical data, which time did not permit me to prepare. I do however, agree with all facts as presented by Mr. Campbell and support his statement without reservation.

Again Mr. Chairman, I wish to thank you for the opportunity of coming before this distinguished committee of the Congress to present the views of the hard-working, loyal, American citizens whom I am privileged to represent and I urge most sincerely that your committee report a bill to the Congress which will increase the present unrealistic travel-pay policies which are enforced by present legislation.

#### STATEMENT OF JAMES A. CAMPBELL, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. CAMPBELL. Mr. Chairman, my name is James A. Campbell, president of the American Federation of Government Employees.  
(The statement of Mr. Campbell is as follows:)

#### STATEMENT OF JAMES A. CAMPBELL, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The American Federation of Government Employees favors the bills H. R. 3950 introduced by Representative Gardner M. Withrow of Wisconsin and H. R. 4169 sponsored by Representative Earl Chudoff of Pennsylvania, which provide for an increase of the per diem allowance in lieu of subsistence for civilian officers and employees of the Federal Government while traveling on authorized official business within the continental United States. For those who use their own automobiles or motorcycles on official travel, the maximum allowance would be increased from 7 cents to 12 cents a mile for automobiles and from 4 cents to 6 cents a mile for motorcycles.

There is ample justification for these increases. They are in fact long overdue. It is not a matter of determining the proper rate of increase only by basing it solely on the proportionate increase in travel costs since 1949, when the last increase in travel allowances was authorized by the Travel Expense Act enacted as Public Law 92 in the 81st Congress. That will justify substantially what is provided in these bills. But it can be shown that a \$9-a-day allowance was inadequate in 1949.

Unfortunately, the employees who suffered personal losses during the nearly 6 years intervening cannot be reimbursed for their losses. However, that loss certainly is an added reason why the amount should now be set at a figure which today will be reasonably sufficient to permit a Federal employee to travel for the Government without having to bear some of the expense himself.



It should be clearly borne in mind that we are dealing with a maximum figure. If these bills become law they will not authorize \$15 a day for every employee, whether he purchases hotel accommodations and meals at one of the metropolitan hotels or stays at a 25-room hotel in a town having 2,000 or 3,000 population. On the contrary, his agency would undoubtedly follow the common governmental practice of establishing a schedule of rates which will vary from the maximum of \$15 a day down based on specific conditions. The Department of Commerce has had 10 different rates ranging from the minimum of \$2.40 to the present maximum of \$9. The Department of Agriculture has 30 different rates beginning at \$1 because a large part of the travel is in rural areas, though it is difficult to imagine anyone in this day and age purchasing food and shelter for \$1 a day.

Everyone who has traveled even intermittently during the last few years is well aware of the fact that the cost has risen appreciably. Reliable statistics show that hotel room rates have advanced about one-third over the rates which prevailed in 1949, when the existing travel allowance was increased by Congress. The prices of meals have gone up 20 or 25 percent. The cost of other incidentals may be assessed at no less than 25 and more likely at 30 percent or more. Included in such items are tips and fees while traveling, laundry, cleaning and pressing of clothing, and tips to waiters, to name the most common demands upon the traveler.

Convincing evidence of the need for an appreciable increase in the per diem allowance is supplied by the statistics collected by two accounting firms for the American Hotel Association. Figures of the one firm Horwath & Horwath, show that a 12-month average for hotel rooms for the period through February 1955 was \$7.25 as compared with \$5.47 in 1949. This is an increase of 32.5 percent. On the other hand, the average room rate in the calendar year 1954 was \$7.91, according to Harris, Kerr, Foster & Co. Their comparable 1949 figure was \$5.89. This same firm stated \$1.77 as the average price per hotel meal.

These figures are admittedly heavily weighted by big-city rates, but we are not dealing with the problem of fixing an average allowance that will fall between the cost of maintaining oneself in a metropolitan hotel and in the 25-room hotel or small tourist home in a small town or village. Such an average would afford no correction to the existing fact that the rate is too low. The rate should be such that the employee will not be required to bear part of the essential expenses himself when he is directed to travel to one of the large metropolitan centers. The rate should, therefore, be sufficient to cover the highest prices for hotel rooms, meals, and various services. A fair determination of what the rate should be cannot therefore be based on average costs. It is a matter of determining how much the traveler may be reasonably expected to pay in areas where high prices prevail.

The statistics to which reference has been made indicate that there is ample justification for the \$15 maximum allowance provided in the bills before this committee. The figures also show that the current \$9 fell short of being an adequate allowance in 1949.

The \$15 figure will be substantiated in this statement by setting up a schedule of major expense items selected so as to indicate the sum which a Federal employee may reasonably be expected to pay in those areas where prices are high.

The one accounting survey already cited indicated an average price of \$7.91 for a hotel room in the last calendar year. It should be emphasized that this is an average figure. It includes many rates in excess of \$7.91 by reason of the fact that it is an average. It is quite reasonable and realistic to select a \$9 rate as a price a Federal employee is likely to pay in a metropolitan hotel. Anyone who travels today know that \$9 will obtain modest accommodations in one of the large cities and will by no means represent luxurious living.

Evidence submitted to this committee last year by at least one Government agency indicated a range of hotel prices from \$5 to \$12 a day based on a sampling of travel experience of its employees.

The next major item of expense is meals. In its statement to the committee last year, the Bureau of the Budget told this committee that its survey of travel expenses led to the conclusion that \$4.50 represented the minimum increase in cost of meals over the \$3.75 which was stated as the cost in 1949. Again it should be pointed out that this represented a minimum figure and for that reason certainly could not adequately cover costs in higher price areas. Even though a higher figure could be substantiated, a conservative estimate has been made and on that basis the cost of meals in 1955 has been placed at \$4.80 a day. That is still below the \$1.77 average stated by one of the accounting firms already cited.

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There is left in the schedule of expenses those various incidentals which are necessary to a minimum of convenience and comfort. They include those items to which reference has been made—tips to waiters and porters, and such other items as laundry and cleaning and pressing of clothing. A small increase is included over the \$1.20 stated by the Budget Bureau last year. The overall estimate then may be stated as follows:

Hotel room.....	\$9. 00
Meals.....	4. 60
Incidentals.....	1. 40
Total.....	15. 00

The bills also provide for increasing the present allowance of 7 cents a mile for the use of an employee's own automobile to 12 cents and an increase of the allowance for use of a privately owned motorcycle from 4 cents a mile to 6 cents.

Here again it may be stated that these increases are needed. The cost of maintaining and operating a motor vehicle is such that the present allowance is insufficient. It is not only a matter of filling the gasoline tank and replenishing motor oil. Tires must be renewed, needed repairs made, and other expenses met which cannot be avoided in ordinary use on a car. It is not only a matter of wisdom but is now a matter of law in many States that the owner of the vehicle must be insured to the extent of being able to pay for the damage to property or injury to persons which may result from an accident. There are registration and license fees and such other expenses as placing a car in a garage or some parking facility when on a trip.

The Bureau of Labor Statistics surveys of price increases for these expense items show that some of them have risen substantially since 1949. Automobile repairs, for example, have increased more than 24 percent. Tire prices are up 19 percent. Gasoline prices have advanced 13 percent. Insurance rates for automobile coverage have increased more than 28 percent.

If these price increases are combined in a manner approximating their size and importance to the owner and user of an automobile, and allowance is made for the fact that the present 7 cents a mile did not cover the essential items of expense when established, it becomes apparent that a substantial increase is needed. Such a combination was made in formulating the AFGE viewpoint with respect to these bills, giving the greatest weight to such items as price of new cars, gasoline, repairs and insurance. The resultant figure was a weighted average cost in increase which substantiated a per mile allowance of 9 to 10 cents. However, this allows nothing for depreciation of the car and its equipment. It would seem reasonable to allow an additional 2 to 3 cents for this purpose.

When an individual confines the use of his car to his own use, he has full control over its disposition. He may exercise that sort of care which may cause little wear and damage to the vehicle. But when a car must be used in connection with employment, it may be driven much farther within a few days than the owner would have driven it within a month. This wears out both the mechanism and the general structure of the car and speeds up the need for replacements. What may be said in relation to automobiles applies about equally to a motorcycle.

If remedial legislation is to be satisfactory, it must provide a rate which will make it possible for a Federal employee to travel wholly at Government expense and not partly at his own expense. At present the employee in many instances is not being fully reimbursed. A per diem allowance should be established which will cover the cost of travel to the metropolitan center as the maximum and make certain that the sum provided is sufficient to cover travel under varying conditions and in different localities. It is not requested that the maximum allowance be the amount authorized for travel irrespective of destination. There is ample safeguard against the misuse of the allowance. The travel voucher must first be submitted to the employee's own agency and later be subjected to examination by the General Accounting Office which is directly responsible to Congress.

This opportunity to present the views of the American Federation of Government Employees is appreciated. Our thanks are forthcoming to Congressmen Withrow and Chudoff for sponsoring the two bills which are heartily supported by this federation. The committee is to be commended for the interest it has shown in this matter and it is hoped that it will be possible to report a substantial increase of the per diem and travel allowances within a short time.

**STATEMENT OF S. D. LARSON, DIRECTOR, DIVISION OF BUDGET  
AND FINANCE, DEPARTMENT OF THE INTERIOR**

Mr. LARSON. I am S. D. Larson, Director, Division of Budget and Finance, Department of the Interior. I am filing a statement in support of H. R. 4918.

(The statement of Mr. Larson is as follows:)

**STATEMENT OF S. D. LARSON, DIRECTOR, DIVISION OF BUDGET AND FINANCE,  
DEPARTMENT OF THE INTERIOR**

Mr. Chairman and members of the committee, in response to your request to the Secretary of the Interior for the Department's views and practices with reference to per diem allowances for travel in the continental United States, I have been designated to appear before your committee.

The Department of the Interior is in full accord with the provisions of H. R. 4918 and recommends that it be enacted.

We have found that the present maximum per diem rate of \$9 is insufficient to cover the expenses incurred by many of those who are required to travel on official Government business. The Department has not made a detailed study of the situation but as a result of numerous informal complaints we requested selected individuals to keep a record of their costs for various conditions of travel. It was found that these costs were in excess of the maximum allowance. We have been advised that the Bureau of the Budget has made an analysis of information accumulated during 1953 by certain large accounting organizations covering a survey of some 400 hotels throughout the country. This study revealed an average cost of \$13.20 per day including meals and incidental expenses.

This, of course, means that many employees are absorbing the excess costs. It is the view of the Department that an employee should not profit from the per diem allowance; however, on the other hand, we believe that he should not be expected to absorb excess costs from personal funds.

All travel is not authorized at the maximum rate. The varied nature of the Department's activities is such that travel is required under a wide range of circumstances. The range of travel is from high cost large metropolitan areas to lower cost remote areas. Per diem allowances in the lower cost areas are established with regard to costs in that particular area. Per diem allowances range from a minimum of \$3 per day to the maximum of \$9 per day.

We have not accumulated detailed statistics on travel per diem at the various rates or by grades of employees; however, it is estimated that approximately 50 to 60 percent of our travel is authorized at the maximum rate of \$9.

Section 1 of H. R. 4918 contains a proviso which would permit heads of departments and establishments, under regulations prescribed by the Bureau of the Budget, to authorize reimbursement on an actual expense basis, where due to unusual circumstances of a travel assignment within the limits of the continental United States, the maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip. The Department is wholeheartedly in favor of this provision, as it would provide authority for adequate reimbursement to employees for actual expenses incurred, in cases where the traveler is subject to exceptionally high costs.

The Secretary, Under Secretary, Assistant Secretaries and the heads of bureaus and offices find it necessary to attend meetings and conferences in various parts of the United States with State and local officials as well as others concerned with activities of the Department. Almost without exception these officials are called upon to meet with individuals and groups to discuss Government business. Lacking office or other suitable space for such meetings necessarily requires the official to obtain larger room accommodations than would otherwise be required. There are other instances where officials must attend important conferences and meetings in order to keep abreast of technical developments in the industries, so as to permit them to carry on their work for the Government in the most effective manner. Such meetings are usually held in large metropolitan centers where it is not uncommon to incur expenses of \$25 to \$35 a day. It is essential that the employees attend these meetings. They have no control over the places at which such meetings are held or the accommodations which have been selected. Such authority would be controlled at the departmental level and would be kept to a minimum consistent with good administration and the benefits to be derived

We believe that the proposal contained in section 2 of H. R. 4918 to authorize an increase of from \$10 to \$15 per day for travel of employees working at \$1 per year, or without compensation, constitutes desirable legislation. These employees are generally business and professional men, and the majority of their travel is to large metropolitan centers where living costs are consistently higher than the cost incurred by the average Government traveler.

I would like to outline briefly the policies and procedures of the Department of the Interior which govern travel of employees on Government business.

*General limitations.*—Travel shall be limited to that travel which is essential to the transaction of official business of the Department; must be either authorized or approved by a designated administrative officer; and expenditures therefore must be authorized by an appropriation or other statute.

Itineraries shall be planned in advance so that official business may be transacted with a minimum of travel and expense.

*Travel authorizations.*—Travel authorizations shall, whenever practicable, specify the places to be visited and the purpose of the travel. Travel authorizations shall be limited to specific trips, except in those cases where the issuance of a general or area authorization is justified.

Travel expenses shall be authorized on the basis of a usually traveled route for the trip, or for the itinerary specified in the travel order. Additional cost caused by deviation from the shortest and most direct route for personal convenience shall not be allowed.

*Per diem rates—General.*—Each bureau of office shall establish a basis for determining per diem rates which are appropriate for its requirements and which, insofar as practicable, will allow the traveler to receive an amount neither in excess of nor below his necessary travel expenses.

The authorizing official shall authorize or approve such per diem rates, not to exceed the maximum allowable by the latest Standardized Government Travel Regulations, as are justified by the circumstances surrounding the travel. The position, grade, salary, and marital status of the traveler shall not be considered in fixing per diem rates. Per diem allowances shall not be granted for the purpose of augmenting the salary of an employee.

When an employee's work assignment is in an isolated area, such as at a construction camp or at a work site of an investigating or survey party, and over a prolonged period it is possible to obtain low-cost lodging and meals, the authorizing official shall authorize or approve only such per diem rate as is justified under the circumstances.

When an employee's assignment is not in an isolated area but his length of stay is for a prolonged period and continuous lodging at the same place offers possibilities of reduced rates, the saving of tips and other advantages, the authorizing official shall authorize or approve only such per diem rate as is justified under the circumstances.

It is of course difficult to estimate accurately the additional cost which would result from the enactment of this bill because of the fact that a considerable portion of our travel is authorized at below the maximum rate and in many cases on a sliding scale, depending on the type of travel involved and the length of time spent at individual temporary duty stations. We estimate that the increased cost for the Department would be approximately \$800,000. Travel expense for fiscal year 1956 under the present maximum of \$9 is estimated to be approximately \$5,200,000.

The CHAIRMAN. I believe everybody is here except Mr. Fitzgerald.

**STATEMENT OF EDWARD W. McCABE, CHAIRMAN, COMMITTEE  
ON LEGISLATION FOR THE NATIONAL ASSOCIATION OF INTER-  
NAL REVENUE EMPLOYEES**

Mr. McCABE. Mr. Chairman, I am Edward W. McCabe, past president and present chairman of the committee on legislation for the National Association of Internal Revenue Employees.

I am here in support of H. R. 4918. I submit my statement with the further provision that the \$13 be revised to \$15 in the bill proposed.  
(The statement of Mr. McCabe is as follows:)

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STATEMENT OF EDWARD W. McCABE, CHAIRMAN, COMMITTEE ON LEGISLATION  
FOR THE NATIONAL ASSOCIATION OF INTERNAL REVENUE EMPLOYEES

I am Edward W. McCabe, past president and present chairman of the committee on legislation for the National Association of Internal Revenue Employees.

It is requested that this statement be made a part of the official record and be recorded in the proceedings of the subcommittee of the Committee on Governmental Operations studying H. R. 4918.

The National Association of Internal Revenue Employees is an independent association banded together on a mutual interest basis. We have over 21,000 members and are an independent association.

Approximately 40 percent of our 54,000 employees will be required to travel on official business some time during the year. Some of the travel is by privately owned conveyance. We have found that the present per diem allowance for subsistence and the travel expense are wholly inadequate.

The per diem allowance of \$9 a day in the larger cities barely covers the cost of hotel accommodations and tips entering and leaving. The cost of 3 ordinary meals averages \$5 per day. The minimum per diem allowance for subsistence should be \$13 per day. Government employees are expected to obtain first-class accommodations and they cannot with present allowance unless they pay part of the cost from their personal funds. Our association is on record as favoring a minimum per diem of \$13 per day.

Further, a survey last year by one of our leading magazines revealed the cost of operating the most economical standard-make car was 10 cents a mile. Assume an employee uses his car (Ford, Chevrolet, or Plymouth) entirely on Government business and travels 12,000 miles during the year, the cost for gas, oil, grease, wash, minor repairs, adjustments, insurance, and depreciation would exceed \$1,200 or 10 cents a mile. The time has come when we should be realistic. The mileage expense should be 10 cents a mile.

We unitedly urge that your subcommittee favorably consider this brief and vote out a bill which will provide Government employees with a minimum of \$13 per diem subsistence and a minimum of 10 cents a mile when travel by privately owned conveyance is necessary.

I am grateful for the opportunity to present this brief.

The CHAIRMAN. Mr. Hoffman would like to question you.

Mr. HOFFMAN. I would like to ask each and all of them to file a statement as to the number of employees each organization represents and the total cost of the program for the people they represent, and if the others, not Federal employees, get the raise.

The CHAIRMAN. Did you understand the question?

Will you state it again?

Mr. HOFFMAN. Yes. I would like for each of them to file a statement showing the number of employees for whom they speak, also the cost to the Government for the members of their organization, the additional cost to the Government if the members of their organization get an additional per diem, and the cost, the total cost to the Government, if all the Federal employees who are entitled to it, get it.

You aren't interested in the overall cost to the Government?

Mr. WALTERS. Yes, sir. But I would have to have knowledge of how many days that the members that make up the Council would travel in the next year, and I wouldn't have any knowledge of that unless I got it from the Government agencies.

Mr. HOFFMAN. It would seem to me that one of the basic questions would be how much it would cost because certainly we are interested in whether the Government can keep the obligations which it incurs, and you could use the figure that you had last year for the number of days you had put in last year.

The CHAIRMAN. May I say that I don't think he represents the Government.

Mr. HOFFMAN. No, he represents an organization composed of Federal employees, though, doesn't he?

Mr. WALTERS. Yes, I do.

Mr. JONAS. I think there was some testimony by Mr. Belcher to the effect that it would cost about \$30 million.

Mr. HOFFMAN. I want to know—

Mr. JONAS. Do you want it broken down?

Mr. HOFFMAN. They come in and say they represent so many Federal employees, and I think that one thing that is basic to it is the cost if the employees of that particular group received this added compensation.

Mr. WALTERS. Could I ask one question? Take Mr. Campbell here, who represents 60 or 70 or 80 or 90 people who are scattered in every State in the Union, I just don't see how we could come in here guessing as to how many days or how many trips those people would travel in the next year. And we certainly have no information as to how much they traveled last year.

Mr. HOFFMAN. Then, what your testimony amounts to is that you want a raise, but you don't know what it is going to cost the Government.

Mr. STEWART. The figures have already been inserted by the National Bureau of the Budget as to the overall cost to the Government. Any representative of an employee organization has no means of breaking that down into its application to its own membership. And whether there is 1, 1,000, or 50,000 who may be called upon to travel under official orders, the injustice of an inadequate allowance applies with equal validity.

The overall cost is furnished from official sources, that is the only place that can be done. Organizations have no occasion to make any such breakdown even if they have the facilities for acquiring that information.

Mr. HOFFMAN. Then, what it amounts to is that these gentlemen just advocate an increase in the per diem pay?

The CHAIRMAN. These gentlemen will testify by filing their statements on the bills before us.

Are you satisfied?

Mr. HOFFMAN. I thank you.

Mr. STEPHENS. At the end of my statement I should have made mention of the fact that representatives of two international unions of the American Federation of Labor who are unable to be present this morning asked me to signify the desire of their organizations to support the bill that I have supported. Those are the International Association of Bridge, Structural and Ornamental Iron Workers, A. F. of L., and the International Brotherhood of Boiler Workers, Iron Ship Builders, Blacksmiths, Forgers and Helpers of the American Federation of Labor.

The CHAIRMAN. Thank you. That will be noted.

Unless there is objection, I would like to introduce for the record certain documents received by the committee from various departments of the Government, at this point.

(The documents referred to, from the Department of Labor, Treasury Department, Postmaster General, and Department of State, are as follows:)

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SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

DEPARTMENT OF STATE,  
Washington, April 26, 1955.

HON. WILLIAM L. DAWSON,  
Chairman, Committee on Government Operations,  
House of Representatives.

DEAR MR. DAWSON: Reference is made to your letter of March 16, 1955, requesting comments of the Department of State on H. R. 4918, a bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

We believe that the current maximum per diem rate of \$9 does not permit adequate reimbursement to many officials who are required to engage in official travel and the Department is therefore in favor of an increase in the per diem rate.

A check made of costs in the Washington area by the Department as late as November 1954 would indicate that a rate of \$13 may be too low in exceptionally high cost areas. Since the bill under consideration provides for relief where officials travel under unusual conditions, the Department supports its proposal of \$13 as a maximum per diem rate.

In view of the several exceptions to the \$10 rate allowed to persons who serve on a without-compensation basis, among them the \$15 rate permitted in the Department of State to individuals who serve in an advisory capacity in international conference matters, the Department supports the proposal to increase this rate to \$15 for travel within the United States. For travel outside the United States, it is our understanding that the maximum per diem rates established by the Bureau of the Budget would apply to these persons.

There is no objection to the proposal regarding the travel rates for civilian employees who travel as witnesses on behalf of the United States.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report and that enactment of H. R. 4918 would be in accord with the program of the President.

Sincerely yours,

THRUSTON B. MORTON,  
Assistant Secretary  
(For the Secretary of State).

POST OFFICE DEPARTMENT,  
OFFICE OF THE POSTMASTER GENERAL,  
Washington 25, D. C., April 26, 1955.

HON. WILLIAM L. DAWSON,  
Chairman, Committee on Government Operations,  
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request for reports on H. R. 3950 and H. R. 4169, identical bills to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

You also requested a report on H. R. 4918, a bill "To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes." It is understood that H. R. 4918 is the Administration's bill and is in accord with the program of the President.

This Department is opposed to the enactment of either H. R. 3950 or H. R. 4169 which provide for an increase in the per diem allowance under section 3 of the Travel Expense Act from \$9 to \$15. H. R. 3950 and H. R. 4169 also provide increases in the mileage allowances for privately owned motorcycles, from 4 cents to 6 cents per mile, and for privately owned automobiles from 7 cents to 12 cents per mile.

It is the view of this Department that the increase of the maximum subsistence allowance from \$9 per diem to \$15 per diem is overgenerous. It would result in an unjustifiable increase in the administrative costs of the Department.

It is believed that a maximum of \$13 per diem as proposed by H. R. 4918 is adequate to meet the normal expenses of officials occasionally required to travel. This Department would continue to exercise administrative discretion to pay less than the maximum to employees who regularly travel in the performance of their duties.

The increase in the mileage allowance proposed by H. R. 3950 and H. R. 4169 also is believed to be too great. Studies by the National Industrial Conference Board indicate that the present allowance of 7 cents a mile is adequate to com-

SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES 51

pensate employees who use privately owned vehicles in lieu of commercial facilities. In no case should the rate paid exceed the cost by common carrier.

It is estimated that the enactment of either H. R. 3950 or H. R. 4169 could increase annual postal expenditures in excess of approximately \$640,000 for per diem allowances, and \$435,000 for mileage allowances, or a total annual additional cost of \$1,075,000.

H. R. 4918 would authorize the granting of a per diem allowance up to \$13. This amount could be exceeded in certain cases and pursuant to Bureau of Budget regulations.

This Department favors H. R. 4918. It is estimated that the enactment of H. R. 4918 would increase postal expenditures by at least \$435,000 per annum.

The Bureau of the Budget has advised that there would be no objection to the presentation of this report to the committee; that enactment of H. R. 4918 would be in accord with the President's program.

Sincerely yours,

C. R. Hook, Jr.,  
*Acting Postmaster General.*

TREASURY DEPARTMENT,  
*Washington, April 25, 1955.*

HON. WILLIAM L. DAWSON,  
*Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of April 13, 1955, extending an invitation to appear at hearings on April 26, 1955, on H. R. 3950, H. R. 4169, and H. R. 4918, relating to an increase in the maximum per diem allowance for Government employees.

While we greatly appreciate the invitation, I regret that I will be unable to appear at the hearings. However, it is hoped that the attached statement will be helpful to your committee in its consideration of the matter.

Very truly yours,

G. M. HUMPHREY,  
*Secretary of the Treasury.*

STATEMENT OF THE TREASURY DEPARTMENT ON H. R. 3950, H. R. 4169, AND  
H. R. 4918, RELATING TO AN INCREASE IN THE MAXIMUM PER DIEM ALLOWANCE

H. R. 3950 and H. R. 4169, which are identical bills, would increase from \$9 to \$15 the maximum per diem allowance for civilian Federal employees while traveling on official business within the continental United States. They would also increase from 7 cents to 12 cents the maximum mileage rate for use of privately owned automobiles for official travel and from 4 cents to 7 cents the maximum mileage rate for the use of motorcycles.

H. R. 4918 would increase from \$9 to \$13 the maximum per diem allowance and would grant discretion to the heads of agencies, subject to regulations of the Bureau of the Budget, to pay actual expenses where, because of unusual circumstances, the per diem allowance would be much less than actual expenses. In addition, it would increase from \$10 to \$15 the maximum per diem allowance for persons serving without compensation or at the rate of \$1 a year and would provide per diem for those individuals at rates paid to other Federal employees for travel outside the continental United States.

Of the three bills, the Department understands that H. R. 4918 incorporates recommendations made by the Bureau of the Budget after a governmentwide survey of per diem and subsistence allowances. The Department, therefore, recommends the enactment of H. R. 4918, rather than the other two bills.

Experience in the Department has demonstrated that under existing conditions it is necessary to pay a minimum of about \$6 per day for a hotel room. In many cases, it is not unusual to pay from \$7 to \$10 a day for a hotel room. For meals, a minimum of between \$4 and \$5 is necessary. Employees also have additional expenses for laundry, tips, and other items. It is thus clear that the present maximum rate of \$9 a day per diem is inadequate under prevailing price levels and the employees in many instances suffer a personal loss.

As a specific example of the inadequacy of the existing rate for per diem, the case of the Secret Service agents engaged in the protection of the President may be cited. When traveling by Presidential train, the prices of the meals aboard the train are comparable to prices in expensive restaurants. When the President



stays at a hotel, the agents must necessarily be in rooms near the Presidential suite. The daily cost of an agent's hotel room in those circumstances consumes the major portion of the agent's per diem allowance, even when more than one agent occupies the same room. Agents assigned to accompany the President thus are often required to spend their personal funds for a portion of their subsistence expenses. On extended trips, the monetary loss to these agents may be considerable. The practical effect is that Secret Service agents assigned to Presidential-protection duties suffer a reduction in salary.

In the administration of the higher per diem rate that would be established by H. R. 4918, the Department would not automatically increase the per diem allowance to the maximum rate. Per diem would be paid on a varying scale, depending on the circumstances and conditions under which the travel is performed. For example, many Treasury employees travel in rural areas where the cost of lodging and meals are less expensive than in urban areas, and the per diem rate would be established accordingly. It would be the Department's policy to use such rates as would protect the interests of both the Government and the employee.

With respect to the treatment of per diem for income-tax purposes, the income-tax regulations (Regulations 118, sec. 39.23 (a)-2) require an individual who receives a salary and also an allowance for meals and lodging, as, for example, a per diem allowance in lieu of subsistence, to include the amount of the per diem allowance in gross income. However, the cost of such meals and lodging may be deducted from gross income. The regulations also require the taxpayer to attach a statement to his return in support of any such deductions showing, among other things, the total amount of expenditures incident to meals and lodging while absent from home on business. The regulations further provide that the employee, if requested to do so, must substantiate deductions by evidence showing in detail the amount and nature of the expenses incurred.

The Internal Revenue Service has not made any study and has not compiled any statistics from the income-tax returns of Federal employees which would reflect the experience of such employees with the present rate of the per diem allowance. To obtain such information, a special study would be necessary which would entail obtaining from each agency a list of names and addresses of employees who receive reimbursement for travel, selecting a representative sample of those employees and withdrawing their returns, developing a report form, entering the information on the form, in the district offices, forwarding the forms to the national office, and preparing tabulations and analyzing the results.

If such a study were made, it would take several months to complete and there would be doubt as to whether the study would form a valid basis for evaluating the adequacy of the present per diem allowance. In completing tax returns, not all employees would handle per diem in the same manner. It is to be expected that some employees who receive a per diem allowance would report as a deduction an amount equal to the amount of per diem received and would not claim as a deduction subsistence expenses in excess of the amount of per diem. It would not be possible to distinguish those cases from cases where the amount received was actually the amount expended.

DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, April 15, 1955.

Hon. WILLIAM L. DAWSON,  
*Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN DAWSON: This is in further response to your requests for my views on H. R. 4918, a bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses and for other purposes, and H. R. 3950 and H. R. 4169, bills to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

Experience has demonstrated the inadequacy of the present maximum per diem allowance. Many employees find it necessary to supplement their official travel allowances with personal funds to meet legitimate travel expenses. An increase in the maximum per diem allowance to \$13, as proposed by H. R. 4918, to carry out the President's recommendation in this regard, has my full support. I also approve of the provision in H. R. 4918 authorizing reimbursement for actual and necessary expenses of travel (up to a maximum amount specified in

the travel authorization) in unusual circumstances where the per diem allowance would be much less than those expenses. I do not consider, however, that a 66 2/3-percent increase in the per diem allowance, from \$9 to \$15, as proposed by H. R. 3950 and H. R. 4169, is justified.

Present travel costs also require that the maximum per diem allowance for civilians performing work for the Federal Government without compensation be revised upward. An increase in this allowance for official travel by these Federal employees within the limits of the continental United States from \$10 to \$15, as provided in H. R. 4918, is reasonable.

The proposal contained in H. R. 4918 for regulation of travel rates for civilian employees who travel as witnesses on behalf of the United States by the Travel Expense Act of 1949, as amended, rather than by separate legislation, appears to be appropriate, and I have no objection to its enactment.

Our information does not disclose need at this time for the changes proposed by H. R. 3950 and H. R. 4169 in the mileage allowances for use of private motor vehicles in official travel.

The Bureau of the Budget advises that it has no objection to the submission of this report and that enactment of H. R. 4918 would be in accord with the program of the President.

Sincerely yours,

JAMES P. MITCHELL, *Secretary of Labor.*

The CHAIRMAN. And if there is no further business, we will stand adjourned. And we will have copies of the testimony presented for your perusal and the perusal of the other members, Mr. Jonas. And we will meet to discuss the matter.

Thank you very much for your patience.

We trust further that you will bring forth the proper legislation.

We are adjourned.

(Whereupon, at 12:35 p. m., the subcommittee adjourned.)

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84TH CONGRESS 1st Session	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 1088
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GOVERNMENT EMPLOYEES TRAVEL EXPENSE  
ALLOWANCES

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JULY 11, 1955.—Ordered to be printed

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Mr. FASCELL, from the committee of conference, submitted the  
following

CONFERENCE REPORT

[To accompany H. R. 6295]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 4. Section 4 of the Travel Expense Act of 1949 (63 Stat. 166; 5 U. S. C. 837) is amended by striking out '4 cents' and '7 cents' and inserting '6 cents' and '10 cents', respectively, in lieu thereof."

And the Senate agree to the same.

WILLIAM L. DAWSON,  
DANTE B. FASCELL,  
J. ARTHUR YOUNGER,  
*Managers on the Part of the House.*

OLIN D. JOHNSTON,  
MATTHEW M. NEELY,  
FRANK CARLSON,  
*Managers on the Part of the Senate.*

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Reduces the maximum per diem allowance from \$13 per day as proposed by the House to \$12 per day as proposed by the Senate.

Amendment No. 2: Authorizes an increase in the mileage rate for privately owned motorcycles from the present 4 cents to 6 cents and for privately owned automobiles or airplanes from the present 7 cents to 10 cents, when engaged on official business, as proposed by the Senate. No increases in the maximum mileage rates were proposed by the House.

There was considerable discussion among the conferees on whether a per diem rate of \$12 or \$13 was fair and equitable. The House managers pointed out that the information presented to it in hearings and reports from the Bureau of the Budget and various agencies indicated that the higher figure would be warranted. The Senate managers noted, however, that the military had already been given an increased per diem rate for travel expenses to \$12 and it would be preferable to have a uniform rate as between civilians and the military. The House managers believed that with the actual expense proviso in the bill any serious problems of inequity could be cured.

Although the House had received no information to show the need for an increase in the mileage rate for privately owned automobiles and motorcycles, the Senate felt such an increase was necessary.

The House, therefore, receded in these two particulars.

WILLIAM L. DAWSON,  
DANTE B. FASCELL,  
J. ARTHUR YOUNGER,  
*Managers on the Part of the House.*

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84TH CONGRESS 1st Session	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 604
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AMENDING THE TRAVEL EXPENSE ACT OF 1949 TO PRO-  
VIDE AN INCREASED MAXIMUM PER DIEM ALLOW-  
ANCE FOR SUBSISTENCE AND TRAVEL EXPENSES

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MAY 19, 1955.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. DAWSON of Illinois, from the Committee on Government  
Operations, submitted the following

R E P O R T

[To accompany H. R. 6295]

The Committee on Government Operations, to whom was referred the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 9, strike the period and insert "for each day in travel status."

Page 3, line 6, strike the period and insert "for each day in travel status."

SUMMARY OF PROVISIONS

Section 1 amends the Travel Expense Act of 1949 by raising the maximum per diem allowance for subsistence and travel expenses for regular Government employees from the present \$9 per day to \$13 per day. This section also includes a new provision which will permit heads of departments and agencies to prescribe conditions under which reimbursement may be made for the actual and necessary expenses of a trip in unusual circumstances where these expenses exceed the maximum per diem amount authorized. This may be done before or after the trip depending on the circumstances. Such reimbursement may not, however, exceed the sum of \$25 per day. This may only be done under general regulations promulgated by the Director of the Bureau of the Budget.

Section 2 amends the Administrative Expenses Act of 1946 by increasing the per diem rate for those who serve the Government without compensation from the present \$10 per day to \$15 per day and also includes an actual expense proviso not to exceed \$25 per day as contained in section 1.

Section 3 provides for payment of travel expenses of civilian employees of the Government who serve as witnesses for the United States under the Travel Expense Act of 1949 rather than under the separate legislation that now exists. This was recommended by the Department of Justice. The travel expenses of these employee-witnesses would thus be administered in the same manner as employees traveling on other types of assignments governed by the Travel Expense Act.

#### GENERAL STATEMENT

The Subcommittee on Executive and Legislative Reorganization heard considerable testimony from representatives of the departments and agencies and from Federal employee organizations on the inadequacy of the present \$9 per diem rate and the rise in the cost of subsistence since the travel bill of 1949 was enacted. It received recommendations for raising the rate which varied from \$13 to \$15 per day. The subcommittee and the full committee agreed that \$13 was a reasonable maximum figure. Where in unusual circumstances the expenses of the employee exceed that amount the actual-expense proviso contained in section 1 should take care of it. It was also agreed that employees who serve the Government without compensation, such as advisers and consultants, should be reimbursed for subsistence and travel expenses at a rate of \$15 per day.

The committee is aware that in some cases the maximum is not required. A number of agencies set per diem rates at less than the maximum or scaled to the circumstances of the trip, but the committee feels that Federal employees should be protected against being required to pay out of their own pockets the necessary expenses incident to their official travel for the Government. The maximum per diem rate, as well as the actual expense proviso, would be governed by general regulations promulgated by the Bureau of the Budget and the committee was assured by the Bureau that regulations could be drawn and would be drawn to prevent any abuse of the higher rate.

Evidence was presented that the present mileage rates for the use of privately owned motorcycles and automobiles should be raised. The rates are now 4 and 7 cents per mile respectively. It was felt, however, that on the whole the expenses of operating these privately owned conveyances when traveling on Government business do not exceed the current rates.

The Bureau of the Budget estimated that the additional cost to the Government due to the increase in per diem from \$9 to \$13 would not exceed \$30 million.

The committee emphasizes the fact that the per diem rate prescribed in the bill is a maximum one and the committee expects that the maximum rate will only be allowed where the circumstances clearly warrant it. The Bureau of the Budget and the heads of departments and agencies have both the authority and the responsibility to see that no deviation from this principle occurs.

NECESSITY FOR INCREASE IN RATE

The Bureau of the Budget submitted to the Congress the following report as evidence of the necessity to increase the rate from \$9 to \$13 per day:

ADEQUACY OF TRAVEL ALLOWANCES

REGULAR CIVILIAN EMPLOYEES

The existing maximum per diem allowance for civilian employees while traveling within the limits of the continental United States is prescribed as \$9 by the Travel Expense Act of 1949 as amended. This rate of \$9 is the maximum allowable. Lower rates are authorized for trips in areas where the expenses necessarily incurred by travelers are less than in high-cost areas.

The recommended maximum rate of \$13 consists of approximately \$7.30 for hotel room; \$4.50 for meals; and \$1.20 for incidental expenses. It is based upon the following considerations:

*Hotel costs*

The hotel accounting firm of Harris, Kerr & Forster has found, upon a study of room rates of 375 hotels used by businessmen in traveling, that the average room rate for a single room during 1954 was \$7.30. The hotel accounting firm of Horwath & Horwath, on the basis of an average sample of between 360 and 400 hotels, has advised that the average room rate for a single room during 1954 was between \$6.70 and \$6.95. These estimates of the two firms represent average room rates. The higher amount of \$7.30 has been used since the recommended rate of \$13 per diem represents not an average but a maximum allowable per diem.

*Cost of meals*

The amount estimated for meals per day is \$4.50 based upon an allocation of \$1 for breakfast; \$1.25 for luncheon; and \$2.25 for dinner. Both hotel accounting firms report that the price of hotel restaurant meals has increased approximately 20 percent since 1949.

*Incidental expenses*

The amount, averaging \$1.20 per day, is intended to cover such items of expense as tips and fees while traveling; hotel tips; tips to waiters; laundry; cleaning and pressing; telegrams for room reservations; etc. These miscellaneous expenses have also increased in recent years. The Bureau of Labor Statistics reports, on the basis of a study of prices in 34 large cities until 1952 and in 46 cities since that time, that the cost of dry cleaning and pressing has increased 13.2 percent between June 1949 and September 1954; and that the cost of laundry has increased 18.3 percent during the same period. In view of the higher costs of meals, the amounts for tips have correspondingly increased.

INDIVIDUALS SERVING WITHOUT COMPENSATION

The existing maximum per diem rate of \$10 is prescribed in section 5 of the Administrative Expenses Act of 1946 for individuals serving the Government without compensation and applies while they are away from home or regular places of business. Since these individuals generally serve as consultants for short periods of time and serve without receiving any compensation, a higher maximum rate of per diem than that prescribed for regular employees has been allowed in the past. In view thereof, the maximum rate of \$15 is recommended for these individuals. Section 5 of the Administrative Expenses Act of 1946 provides that a rate higher than that prescribed therein may be authorized in specific legislation. The rate of \$15 was provided in the Defense Production Act of 1950. The 83d Congress authorized the \$15 rate for members of the President's Advisory Committee on Government Organization; members of the National Capital Planning Commission who serve without compensation; and individuals serving without compensation in an advisory capacity under the item "International contingencies" in the Department of State appropriation acts for the fiscal years 1954 and 1955. A per diem rate not in excess of \$25 has been provided for individuals serving without compensation on advisory committees under title VI of the Housing Act of 1949 and under the Housing Act of 1954. The 83d Congress also increased to \$15 the per diem rate for Federal judges and justices which had been established at \$10 in 1940.

## SPECIAL FORM OF REIMBURSEMENT FOR UNUSUAL CIRCUMSTANCES

The provision in the first section of the draft bill, authorizing reimbursement on an actual-expense basis in lieu of the per diem basis, is proposed for use in a very limited number of situations. Occasionally employees are required to travel on assignments which necessitate personal expenditures well in excess of the reimbursement which would be obtained at the \$13 per diem rate. Attendance at meetings or conventions of private business or industry which are held at expensive hotels is an example. Government representatives attending these meetings in furtherance of their official duties have no choice but to stay at the convention hotel where even the cheapest rooms may exceed the entire per diem. Likewise these representatives are required to take their meals at these hotels. A similar situation where expensive hotels must be used arises at times when Secret Service agents travel with the President and must stay at the hotel in which he stays. Likewise unusually high rates are encountered from time to time when an employee must travel to a locality in which a disaster has occurred or must travel at a particular time to a city when only the more expensive hotel rooms are available due to conventions. As set forth in the draft bill, this type of travel would be governed by regulations of the Director of the Bureau of the Budget and under conditions prescribed by department heads. Also a maximum allowable amount of reimbursement would be determined in advance of the trip and would be set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.

## MILEAGE ALLOWANCES

No changes in mileage-allowance rates are proposed for the following reasons: The American Automobile Association in its Information Bulletin No. 92 of August 4, 1954, reported on the practice of private business in compensating their employees for use of personal cars on company business. The report contains a listing of flat mileage allowances used by private business firms as compiled by the Dartnell Corp., Chicago, Ill. Of the total firms covered by the Dartnell survey, 28 percent reimbursed employees for use of their automobiles at a rate less than 7 cents a mile; 45 percent at the 7-cent rate; 5 percent between 7 and 8 cents; 16 percent at 8 cents, and 3 percent at 9- and 10-cent rates. The weighted average allowance as reported by Dartnell was 7.01 cents.

More recent information has been obtained from the AAA giving a breakdown of cost figures for the operation of an automobile as prepared by Runzheimer & Co., Chicago cost-accounting firm. The breakdown for a postwar model car in the \$2,000 price class, driven up to 18,000 miles per year, shows that variable costs (gasoline, oil, maintenance, and tires) average 3.54 cents per mile while the fixed costs (insurance, license fees, depreciation) average about \$1.65 per day. On a mileage basis for the entire year the total cost to a car owner would be approximately 6.86 cents per mile. This amount for a comparable car, driven only approximately 10,000 miles a year, was given as 9.52 cents per mile. These rates, of course, vary with the mileage driven, the class of car, and the type of driving conditions generally encountered by the individual during a year, whether in mountainous or flat country or in congested metropolitan centers or rural areas.

Since the rate of 7 cents per mile still appears to be the rate most commonly used by companies which have followed the flat mileage method, no change is recommended for the Federal Government.

The statement of the Assistant Director of the Bureau of the Budget at the subcommittee hearings on the bill follows:

## STATEMENT OF DONALD R. BELCHER, ASSISTANT DIRECTOR, BUREAU OF THE BUDGET

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before your subcommittee to discuss H. R. 3950, H. R. 4169, and H. R. 4918, which provide for increased allowances for civilian employees who travel on official business.

It is generally recognized that the existing maximum per diem travel allowance of \$9 is, in many cases, inadequate to reimburse the traveler for out-of-pocket costs. In his message to the Congress on Federal personnel management, the President stated that a legislative proposal would be submitted for an appropriate increase in the per diem allowance. At the time that message was submitted, information was being gathered on present-day travel costs. After the informa-



tion was analyzed, recommendations were made to the Congress. Those recommendations are embodied in H. R. 4918, which provides that the maximum per diem travel allowance be increased from \$9 to \$13; that special provision be made for unusual types of travel where the maximum rate would be much less than the necessary actual expenses incurred; that present mileage allowances remain unchanged; that the maximum per diem allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15; and that the travel rates for civilian employees who travel as witnesses on behalf of the United States be governed by the Travel Expense Act of 1949, as amended, rather than by separate legislation.

H. R. 3950 and H. R. 4169 would increase the maximum per diem allowance from \$9 to \$15, mileage allowance for motorcycles from 4 to 6 cents, and mileage allowance for privately owned automobiles or airplanes from 7 to 12 cents.

We believe that for the normal run of travel, rates lower than those provided in H. R. 3950 and H. R. 4169 would be adequate. I shall, therefore, direct my discussion to the provisions of H. R. 4918.

#### INCREASE IN PER DIEM

The first section of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, as amended. It would increase the maximum per diem allowance from \$9 to \$13 for civilian employees who travel on official business within the limits of the continental United States. The \$13 rate would be comprised of approximately \$7.30 for hotel room; \$4.50 for meals; and \$1.20 for incidental expenses. It is based upon the following considerations.

The hotel accounting firm of Harris, Kerr, Forster & Co. reported in December 1954 that, upon the basis of audit of 375 hotels (located in 185 cities and towns throughout the country) used by businessmen in traveling, the average room rate for a single room during 1954 was \$7.30. It more recently reported that its final analysis for calendar year 1954 shows an average single-room rate of \$7.40. The hotel accounting firm of Horwath & Horwath, on the basis of an average sample of between 360 and 400 hotels located throughout the United States, advised in January 1955 that the average room rate for a single room during 1954 was between \$6.70 and \$6.95.

The amount estimated for meals per day is \$4.50 based upon an allocation of \$1 for breakfast, \$1.25 for luncheon, and \$2.25 for dinner. Both hotel accounting firms report that the price of hotel restaurant meals has increased approximately 20 percent since 1949, at which time the estimated meal cost was \$3.75.

The amount for incidental expenses, averaging \$1.20 per day, is intended to cover such items of expense as tips and fees while traveling; hotel tips; tips to waiters; laundry; cleaning and pressing; telegrams for room reservations; etc. These miscellaneous expenses have also increased in recent years. The Bureau of Labor Statistics reports, on the basis of a study of prices in 34 large cities until 1952 and in 46 cities since that time, that the cost of dry cleaning and pressing has increased 14 percent between June 1949 and December 15, 1954; and that the cost of laundry has increased 18.7 percent during the same period. In view of the higher costs of meals, the amounts for tips have correspondingly increased.

Some Federal employees keep actual expense records of their travel costs. A few agencies were asked to submit examples of actual expenses incurred by employees. Illustrations of such information are as follows:

1. Expenses incurred by an employee of the Commodity Stabilization Service, Department of Agriculture, in a 20-day trip to Portland, Denver, and Cincinnati averaged \$12.68 a day in Portland, \$13.65 in Denver, and \$11.60 in Cincinnati.

2. Expenses incurred by an employee of the Atomic Energy Commission in a 14-day trip to San Francisco averaged \$13.62 a day.

3. Expenses incurred by an employee of the Bureau of Public Debt, Treasury Department, in 2 trips involving 15½ days to Philadelphia, Columbia, S. C., Jackson, Miss., and New Orleans averaged \$13.06 a day.

We have only a limited amount of information on actual travel expenses incurred by employees in private industry. Examples are as follows:

1. The local office of a large corporation indicated average travel costs as follows: Hotel, \$8 to \$8.50 per day; meals, \$5.75 to \$7.75 per day; tips, \$1 per day; average per day, \$14.75 to \$17.25.

2. Expenses of a sales representative of another corporation traveling in the four-State area of Maryland, Virginia, and North and South Carolina during the

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## AMEND TRAVEL EXPENSE ACT OF 1949

6-month period October 1, 1954, to March 31, 1955, involving 45 days of travel are as follows:

Hotel.....	\$251 25
Meals.....	314 15
Valet, tips, etc.....	82 80
Total.....	648 82
Average per day.....	14 40

3. A sales representative of another company reported expenses for a 1-week period as follows:

Baltimore, Apr. 4, 1955.....	\$12 90
Baltimore, Apr. 5.....	12 70
Washington, D. C., Apr. 6.....	14 45
Richmond, Va., Apr. 7.....	12 10
Roanoke, Va., Apr. 8.....	12 20
Danville, Va., Apr. 9.....	12 20
Average per day.....	12 75

In considering the rate of \$13 per diem, it must be remembered that this would be the maximum rate. The Standardized Government Travel Regulations will continue to emphasize the fact that the departments and establishments are responsible for seeing to it that travel orders authorize only such per diem allowances within the maximum rate as are justified by the circumstances surrounding the travel.

Per diem rates on a graduated scale are authorized by agencies to meet necessary expenses, depending on the type of travel involved and the length of time spent at individual duty stations. For example, it is estimated that during the present fiscal year, 1,187,632 days of travel will be performed in the Department of Agriculture. Of this total, approximately 908,000 travel days or 76.5 percent will be authorized at per diem rates below the maximum, ranging from \$8 to \$5 and below. In the Department of Interior approximately 50 percent of the estimated travel days for the fiscal year 1956 will be at various rates below the maximum ranging from \$3 to \$8. In the Department of Commerce, 33 percent of the travel is at per diem rates ranging from \$3 to \$8. An analysis of 2,800 civilian travel vouchers made by the Air Force in 1954 indicated an average per diem rate of \$8.14. Veterans' Administration estimates, for fiscal year 1956, 290,115 days at \$9 per day, 2,500 days at \$6, and 2,500 days at \$4.

Questions have been raised from time to time as to the grades of Federal employees who normally travel. Examples are as follows:

1. The Department of Agriculture estimated that over 90 percent of the days traveled in the present fiscal year would be by employees in grades GS-12 and below, over one-half of which would be in grades GS-9 and below.

2. The Treasury Department estimates that approximately 60 percent of the employees required to travel are at grades GS-9 and below, nearly half of which are at the GS-7 level.

In view of the facts discussed above, it would appear that \$13 is a reasonable maximum per diem rate with the understanding that agencies will continue to be responsible for establishing such rates below the maximum as are justified by the circumstances surrounding the travel.

## REIMBURSEMENT OF ACTUAL EXPENSES FOR UNUSUAL TRAVEL

The provision in the first section of the bill, authorizing reimbursement on an actual expense basis in lieu of the per diem basis, is proposed for use in a very limited number of situations. Occasionally employees are required to travel on assignments which necessitate personal expenditures substantially in excess of the reimbursement which would be obtained at the \$13 per diem rate. Attendance at meetings or conventions of private business or industry which are held at expensive hotels is an example. Government representatives attending these meetings in furtherance of their official duties often have no choice but to stay at the convention hotel where even the cheapest rooms may exceed the entire per diem. Likewise these representatives are required to take their meals at these hotels. A similar situation where expensive hotels must be used arises at times when Secret Service agents travel with the President and must stay at the hotel in which he stays. Likewise unusually high rates are encountered from time to time when an employee must travel at a particular time to a city when only the more expensive hotel rooms are available due to conventions. As set forth

## AMEND TRAVEL EXPENSE ACT OF 1949

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in the bill, this type of travel would be governed by regulations of the Director of the Bureau of the Budget and under conditions prescribed by department heads. Also a maximum allowable amount of reimbursement would be determined in advance of the trip and would be set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.

We believe that, under proper controls, reimbursement on an actual expense basis in lieu of the per diem basis is desirable for the limited number of cases where the maximum per diem rate would not nearly compensate the employee for his necessary expenses.

## INDIVIDUALS SERVING WITHOUT COMPENSATION

Section 2 of the bill proposes that the maximum per diem travel allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15.

The existing maximum per diem rate of \$10 is prescribed in section 5 of the Administrative Expenses Act of 1946 for individuals serving the Government without compensation and applies while they are away from home or regular places of business. Since these individuals generally serve as consultants for short periods of time and serve without receiving any compensation, a higher maximum rate of per diem than that prescribed for regular employees has been allowed in the past. In view thereof, the maximum rate of \$15 is recommended for these individuals. Section 5 of the Administrative Expenses Act of 1946 provides that a rate higher than that prescribed therein may be authorized in specific legislation. The rate of \$15 was provided in the Defense Production Act of 1950. The 83d Congress authorized the \$15 rate for members of the President's Advisory Committee on Government Organization; members of the National Capital Planning Commission who serve without compensation; and individuals serving without compensation in an advisory capacity under the item "International contingencies" in the Department of State appropriation acts for the fiscal years 1954 and 1955. A per diem rate not in excess of \$25 has been provided for individuals serving without compensation on advisory committees under title VI of the Housing Act of 1949 and under the Housing Act of 1954. The 83d Congress also increased to \$15 the per diem rate for Federal judges and justices which had been established at \$10 in 1940. Since rates of \$15 and above have been authorized by the Congress under other acts, we believe that individuals subject to the Administrative Expenses Act of 1946, namely those serving without compensation, should be reimbursed for travel expenses at the rate of \$15 per day. We estimate a total of not more than 17,000 travel days in fiscal year 1956 by persons serving without compensation, which would represent an increase in travel costs of \$85,000 under H. R. 4918.

## CONSOLIDATION OF TRAVEL AUTHORITY

Section 3 of the bill would amend section 1823 (a) of title 28, United States Code. This would bring the travel rates for civilian employees when traveling as witnesses on behalf of the United States under the Travel Expense Act instead of continuing them under separate legislation. The Department of Justice suggested this change. The rates in both acts are now identical. The proposed amendment, however, would not make the proposed reimbursement of unusual expenses on an actual expense basis applicable to travel of employees to serve as witnesses. The existing authority of the Attorney General to issue regulations relating to this travel, as contained in section 1823 (a), would not be changed by this amendment.

## MILEAGE ALLOWANCES

H. R. 4918 does not propose any change in the mileage allowances authorized to be paid to Government employees for use of their privately owned motor vehicles while traveling on official business. Information at hand does not indicate a need for change in such allowances.

The American Automobile Association in its Information Bulletin No. 92 of August 4, 1954, reported on the practice of private business in compensating their employees for use of personal cars on company business. The report contains a listing of flat mileage allowances used by private business firms as compiled by the Dartnell Corp., Chicago, Ill. Of the total firms covered by the Dartnell survey, 28 percent reimbursed employees for use of their automobiles at a rate less than 7 cents a mile; 45 percent at the 7-cent rate; 5 percent between 7 and

8 percent; 16 percent at 8 cents, and 3 percent at 9 cents; and 3 percent at 10-cent rate. The weighted average allowance as reported by Dartnell was 7.01 cents.

More recent information published by the AAA in their Information Bulletin No. 93 of March 22, 1955, gives a breakdown of cost figures for the operation of an automobile as prepared by Runzheimer & Co., Chicago cost-accounting firm. The breakdown for a postwar model car in the \$2,000 price class, driven up to 18,000 miles per year, shows that variable costs (gasoline, oil, maintenance, and tires) average 3.54 cents per mile, while the fixed costs (insurance, license fees, depreciation) average about \$1.65 per day. On a mileage basis for the entire year the total cost to a car owner would be approximately 6.86 cents per mile. This amount for a comparable car, driven only approximately 10,000 miles a year, was given as 9.52 cents per mile. These rates, of course, vary with the mileage driven, the class of car, and the type of driving conditions generally encountered by the individual during a year, whether in mountainous or flat country or in congested metropolitan centers or rural areas.

The authorization contained in section 4 of the Travel Expense Act of 1949 for employees to use privately owned motorcycles, automobiles, or airplanes on official business with reimbursement on a mileage basis is limited in scope. It applies only when their use is authorized or approved as more advantageous to the Government than the use of common carrier, except that advantage need not be shown where reimbursement is limited to the cost of common carrier and the amount of per diem the employee would have received if common carrier facilities were used. Thus, reimbursement on a mileage basis, not to exceed 7 cents per mile, in lieu of actual transportation expenses and without regard to common carrier costs, is generally limited to trips where common carrier facilities are not available, such as in rural travel, or where the employee-driver is accompanied by other employees, all on official business.

#### ESTIMATED COST

It is difficult to estimate precisely the additional cost to the Government of the bill. The increase will result largely from the graduated scale of rates which will be used between the present \$9 maximum and the proposed \$13 maximum in those cases where \$9 is now inadequate.

For the fiscal year 1956 it is estimated that the total travel costs under the Travel Expense Act of 1949, as amended, for civilian travel within the continental United States will amount to about \$174 million at present travel rates. Of this amount it is estimated that approximately 50 percent will represent subsistence expenses covered by the per diem rate. This 50-percent figure was derived from estimates submitted by 15 of the major agencies which involve 90 percent of the travel. The estimated per diem part of total travel costs as furnished by the individual agencies ranged from 32 to 70 percent with an average for all agencies of 50 percent.

On the basis of this information and agency estimates, it is believed that the total additional cost of H. R. 4918 will not exceed a maximum of \$30 million a year and its actual cost may be several million under this figure.

The Bureau of the Budget favors enactment of H. R. 4918.

I thank you for your attention and would again like to express my appreciation for the opportunity to appear before you.

Additional evidence supporting the increase in per diem rates was presented at the hearing by representatives of the Comptroller General of the United States, the United States Civil Service Commission, the Department of Justice, the Department of Agriculture, the Department of Defense and the Department of the Interior. Federal employee organizations submitting material and supporting the increase were: The Government Employees Council, A. F. of L.; the American Federation of Technical Engineers, A. F. of L.; the American Federation of Government Employees and the Committee on Legislation for the National Association of Internal Revenue Employees. A report was filed for the hearing by the Department of Labor also supporting the increase.

Following is the statement of the representative of the Comptroller General of the United States at the hearings:

STATEMENT OF JOHN H. MARTINY, LEGISLATIVE ATTORNEY, GENERAL  
ACCOUNTING OFFICE

The General Accounting Office appreciates the invitation of this subcommittee to appear before you and present our views and furnish any information we may have on H. R. 3950, H. R. 4169, and H. R. 4918.

H. R. 3950 and H. R. 4169 have identical provisions. Each bill would amend sections 3 and 4 of the Travel Expense Act of 1949 (1) to increase the maximum rate payable to Government employees for per diem allowance from \$9 to \$15 and (2) to increase the maximum mileage rates for the use of privately owned motorcycles and automobiles from 4 and 7 cents per mile to 6 and 12 cents respectively.

Section 1 of H. R. 4918 would increase the maximum per diem allowance to \$13 but does not propose any increase in the mileage rates.

The information available to the General Accounting Office, based solely upon the experience of our own employees, furnishes us ample basis for recommending that the maximum per diem rate be increased to at least \$12 but does not furnish any basis for favoring the \$15 rate. Also we have no information to support any recommendation relative to an increase in the mileage rates. Accordingly, we will address our comments to H. R. 4918.

The first part of section 1 of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, to increase the maximum per diem rate to \$13.

We asked some of our employees who frequently perform travel for information as to actual daily expenses incurred. Six investigators from the Washington office reported an average daily cost of approximately \$13.75 while in a travel status in the larger cities, such as New York, San Francisco, Chicago, Denver, and Cleveland. These costs included hotel, meals, valet service, and nominal tips. In return the employees received an allowance of \$9 per day.

In a recent trip to Indianapolis, by our Chief, Budget and Finance Branch, his average cost per day for a 3 day stay was \$13.25. The hotel room alone was \$8.50, leaving only 50 cents of the maximum \$9 rate for meals, tips and other items.

A member of our Accounting Systems Division reports that on a recent trip to Philadelphia, the hotel room was \$7 for his share of a double room, meals average \$4 a day, and miscellaneous expenses \$2.50, making a total of \$13.50 for which he was paid an allowance of \$9.

Six employees of our Division of Audits report an average daily cost of \$12 or more.

Accordingly, it is our recommendation that the maximum rate be established at either \$12 or \$13 whichever the overall facts presented to this subcommittee may warrant.

The purpose of H. R. 4918 is to permit the heads of departments and agencies, who authorize the performance of official travel, to allow, in justifiable cases, payment of per diem up to \$13 per day in lieu of the present maximum rate of \$9. It is expected that a maximum of \$13 will be allowed only when departments and agencies are fully satisfied that such allowance is actually needed to cover expenses of Government employees performing travel on official business away from their designated posts of duty. The maximum amount authorized by this bill is not mandatory but is intended to provide a flexible method of reimbursing Government employees for out-of-pocket expenses incurred when they are required to travel in high-cost areas.

This policy is recognized in paragraph 45 of the Standardized Government Travel Regulations which places the responsibility on each agency for authorizing only such per diem allowances as are justified to meet the necessary authorized expenses for each trip.

The policy of the General Accounting Office is set forth in an order of the Comptroller General as follows:

"I expect each employee of the General Accounting Office who authorizes or directs travel, who performs travel, or who reviews, certifies, or otherwise authorizes payments in reimbursement of travel expenses, to exercise due care and practice economy in all matters involving travel costs. However, consistent with such care and economy, it is my direction that no officer or employee of the General Accounting Office be put to personal expense because of his performance of properly authorized travel, if it can be avoided under existing laws, regulations, and a general program for administering per diem allowances in lieu of actual travel expenses."

General Accounting Office officials authorized to direct travel are charged with the responsibility of authorizing rates commensurate with the circumstances

involved. The maximum per diem may be authorized for our employees only when it is necessary to cover the proper personal expense of the traveler, which under existing conditions is most of the time, particularly on short trips. However, the maximum rate may not be authorized in excess of 60 days during a 180-day period unless approved in writing by the administrative officer. Also, no per diem may be paid in excess of 180 days for duty at any one temporary post of duty, except as specifically authorized or approved by the Comptroller General.

We believe that these regulations of the Comptroller General afford ample control for the assurance that we will use the proposed \$12 or \$13 maximum rate only when commensurate with the existing circumstances.

The increased cost to the General Accounting Office for the fiscal year 1956 based on a maximum per diem allowance of \$12 would be approximately \$300,000, representing a 23.33-percent increase over proposed estimate of \$910,000 and for a maximum rate of \$13, the increase would be a little over \$100,000, representing a 31.11-percent increase over such estimate.

The first section also contains a proviso to take care of a limited number of situations where employees are required to travel on assignments which necessitate personal expenditures well in excess of the maximum rate. The proviso would authorize reimbursement on an actual-expense basis not to exceed a maximum amount to be specified in the travel authorization.

We believe that a maximum should be specified in the bill if reimbursement on an actual expense basis is to be authorized. However, we recommend that the actual expense basis be discarded and that there be authorized a special per diem allowance not to exceed a rate which should be specified in the legislation. This would obviate the necessity for the traveler supporting each item of expenditure, by receipts or otherwise, as generally is required when reimbursed on an actual-expense basis. Language to accomplish this purpose has been submitted to the committee and a copy is attached for your information.

This language differs substantially from the language of the bill. Under the bill, the head of an agency may authorize this expense. However, under existing law, the head of an agency is authorized to delegate to any officer or employee of his agency any of his functions as he deems appropriate. The proposed language uses the words "department or establishment" so that no one will be misled into believing that the head of an agency personally will authorize this expense. However, we believe that the authority to incur this extraordinary expense should be retained on a high organizational level of each agency and that the regulations to be issued should preclude any redelegation by the official authorized by the head of the agency to authorize this expense.

Also the language of the bill establishes this benefit "on an actual-expense basis" which "may be authorized in advance." The proposed change uses a special per diem allowance basis and would permit approval of such an expense after the trip where travel is performed in an emergency. This is consistent with the provisions of paragraph 5 of the Standardized Government Travel Regulations.

Section 2 of the bill would increase the existing \$10 maximum per diem to \$15 for persons serving without compensation.

Section 3, proposing to amend 28 U. S. C. 1823 (a), would bring the travel rates for employees when traveling as witnesses on behalf of the United States under the Travel Expense Act. This would obviate the necessity for separate amendatory legislation at this time or at such future date as the per diem rates under the Travel Expense Act are modified.

We are convinced that an increase in the maximum per diem rate from \$9 to \$12 or \$13 is justified.

Accordingly, we recommend that this subcommittee consider the changes suggested for the proviso to section 1 and that favorable consideration be given to H. R. 4918.

Suggested change in language for proviso in section 1, H. R. 4918:

"\* \* \* And provided further, That where because of the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the anticipated subsistence expenses of the trip the department or establishment concerned may, in accordance with regulations promulgated by the Director, Bureau of the Budget, prescribe a special per diem allowance not to exceed \$ ."

## AMEND TRAVEL EXPENSE ACT OF 1949

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## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## TRAVEL EXPENSE ACT OF 1949

(63 Stat. 166, as amended; 5 U. S. C. 836)

\* \* \* \* \*

SEC. 3. Civilian officers and employees of the departments and establishments (except justices and judges covered by section 456 of title 28 of the United States Code), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of **[\$9]** *\$13* within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed: *Provided*, That such civilian officers and employees who become incapacitated due to illness or injury, not due to their own misconduct, while traveling on official business and away from their designated posts of duty, shall be allowed such per diem allowances, and transportation expenses to their designated posts of duty, in accordance with regulations promulgated and approved under this Act: *And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribed conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25. for each day in travel status.

\* \* \* \* \*

## THE ADMINISTRATIVE EXPENSES ACT OF 1946

(60 Stat. 808; 5 U. S. C. 73B-2)

\* \* \* \* \*

SEC. 5. Persons in the Government service employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis may be allowed travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence while at place of such employment, in accordance with the Standardized Government Travel Regulations, sections 73a, 821-823, and 827-833 of this title, and persons serving without compensation or at \$1 per annum may be allowed, while away from their homes or regular places of business, transportation in accordance with said regulations and section 73a of this title, and not to exceed **[\$10 per diem]** *\$15 per diem* within the limits of the continental United States and, beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836), in lieu of subsistence en route and at place of such service or employment unless a higher rates is specifically provided in an appropriation or other Act: *And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U. S. C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status.

\* \* \* \* \*

TITLE 28, UNITED STATES CODE

§ 1823. United States officers and employees.

(a) Any officer or employee of the United States or any agency thereof, summoned as a witness on behalf of the United States, shall be paid his necessary expenses incident to travel by common carrier, **and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence** *or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as prescribed in, or established pursuant to, section 3 thereof* under regulations prescribed by the Attorney General. \* \* \*



### ADDITIONAL VIEWS OF CLARE E. HOFFMAN

This bill, if adopted, will increase by several millions of dollars the cost of the operation of the Federal Government. It will add to the national debt and the interest charge thereon.

No complete, accurate estimate of the cost has been made. No information was given the committee as to any source from which the needed tax dollars can be obtained.

Federal employees who will be benefited by the increases were fully aware of the compensation and expense items to which they were entitled when they accepted employment.

The increase is part of a program which apparently is an effort to increase the compensation of all those who render service, either in private enterprise or governmental operations.

It seems inevitable that this increase, as others recently voted, and still others which will be put in operation, will tend to increase inflation—the cost of living.

In my opinion, the inevitable result will be ruinous inflation.

That, history shows, to be the result of similar programs in other countries. I know of no reason why it will not be the result here.

Respectfully submitted.

CLARE E. HOFFMAN.

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84TH CONGRESS  
1ST SESSION

# H. R. 6295

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IN THE SENATE OF THE UNITED STATES

JUNE 22, 1955

Read twice, considered, amended, read the third time, and passed

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That section 3 of the Travel Expense Act of 1949 (63 Stat.  
4     166, as amended; 5 U. S. C. 836) is further amended by  
5     striking "\$9" and inserting in lieu thereof "~~\$13~~" "\$12"; and  
6     by striking the period at the end thereof and adding the fol-  
7     lowing additional proviso: "*: And provided further, That*  
8     *where due to the unusual circumstances of a travel assign-*  
9     *ment within the limits of the continental United States such*

1 maximum per diem allowance would be much less than the  
2 amount required to meet the actual and necessary expenses  
3 of the trip, the heads of departments and establishments may,  
4 in accordance with regulations promulgated by the Director,  
5 Bureau of the Budget, pursuant to section 7, prescribe con-  
6 ditions under which reimbursement for such expenses may  
7 be authorized on an actual expense basis not to to exceed a  
8 maximum amount to be specified in the travel authorization,  
9 but in any event not to exceed \$25 for each day in travel  
10 status.”

11 SEC. 2. Section 5 of the Administrative Expenses Act  
12 of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by  
13 striking “\$10 per diem” and inserting in lieu thereof “\$15  
14 per diem within the limits of the continental United States  
15 and beyond such limits, not to exceed the rates of per diem  
16 established by the Director of the Bureau of the Budget  
17 pursuant to section 3 of the Travel Expense Act of 1949, as  
18 amended (5 U. S. C. 836)” ; and by striking the period at  
19 the end thereof and adding the following additional proviso:  
20 “: *And provided further*, That where due to the unusual  
21 circumstances of a travel assignment within the limits of the  
22 continental United States such maximum per diem allow-  
23 ance would be much less than the amount required to meet  
24 the actual and necessary expenses of the trip, the heads of  
25 departments and establishments may, in accordance with

1 regulations promulgated by the Director, Bureau of the  
2 Budget, pursuant to section 7 of the Travel Expense Act  
3 of 1949 as amended (5 U. S. C. 840) prescribe conditions  
4 under which reimbursement for such expenses may be author-  
5 ized on an actual expense basis not to exceed a maximum  
6 amount to be specified in the travel authorization, but in  
7 any event not to exceed \$25 for each day in travel status.”.

8 SEC. 3. The first sentence of section 1823 (a) of title  
9 28, United States Code, is amended by striking the portion  
10 “and if travel is made by privately owned automobile mile-  
11 age at a rate not to exceed 7 cents per mile, together with a  
12 per diem allowance not to exceed \$9 in lieu of subsistence”  
13 and inserting in lieu thereof “or, if travel is made by privately  
14 owned automobile, at a rate not to exceed that prescribed in  
15 section 4 of the Travel Expense Act of 1949, together with  
16 a per diem allowance in lieu of subsistence not to exceed the  
17 rates of per diem as described in, or established pursuant to,  
18 section 3 thereof”.

19 *SEC. 4. Section 4 of said Act is amended by striking*  
20 *the figures “4 cents” and “7 cents” and inserting “6 cents”*  
21 *and “10 cents”, respectively, in lieu thereof.*

Passed the House of Representatives June 20, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

84TH CONGRESS  
1ST SESSION

## H. R. 6295

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### AN ACT

To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

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JUNE 22, 1955

Read twice, considered, amended, read the third time,  
and passed

Approved For Release 2002/08/23 : CIA-RDP59-00224A000200050001-8

## Calendar No. 352

84TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 348

### TRAVEL EXPENSE ACT OF 1955

MAY 11 (legislative day, MAY 2), 1955.—Ordered to be printed

Mr. PASTORE, from the Committee on Post Office and Civil Service,  
submitted the following

#### R E P O R T

[To accompany S. 1580]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 1580) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

#### PURPOSE

S. 1580 would amend sections 3 and 4 of the Travel Expense Act of 1949 (5 U. S. C. 836-837) to raise the maximum allowable per diem rate for travel within the continental United States from \$9 to \$13, and the maximum mileage rates, for the use of privately owned motorcycles and automobiles, from 4 and 7 cents to 6 and 10 cents, respectively.

#### JUSTIFICATION

The existing maximum per diem allowance for civilian employees while traveling within the limits of the United States is limited to \$9 by the Travel Expense Act of 1949. The rate of \$13 provided by this enactment is based on an allowance of \$7.30 for hotel room, \$4.50 for meals, and \$1.20 for incidental expenses. These amounts are based upon the following:

*Hotel costs.*—A large hotel accounting firm found, upon a study of room rates of 375 hotels used by businessmen in traveling, that the average room rate for a single room during 1954 was \$7.30.

*Cost of meals.*—The allowance of \$4.50 is based upon a similar study and allocates \$1 for breakfast, \$1.25 for luncheon, and \$2.25 for dinner. Two hotel accounting firms report that the price of hotel and restaurant meals has increased not less than 20 percent since 1949.

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*Incidental expenses.*—The \$1.20 for incidentals is intended to cover such items of expense as tips and fees while traveling, hotel tips, tips to waiters, laundry, cleaning and pressing, telegrams for room reservations, etc.

COST

The Bureau of the Budget estimates the total additional cost of this bill will not exceed a maximum of \$30 million a year and its actual cost may be several million dollars a year less.

AGENCY REPORTS

Following are agency reports on S. 1580 as introduced and reported:

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., April 14, 1955.

Hon. OLIN D. JOHNSTON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This will acknowledge your letter of April 1, 1955, inviting the Bureau of the Budget to comment on S. 1580, to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

In his message to the Congress on Federal personnel management the President stated that a legislative proposal would be submitted for an appropriate increase in the per diem allowance for civilian employees who travel on official business. On March 8 the Bureau of the Budget transmitted to the President of the Senate and the Speaker of the House a draft bill which would carry out the President's recommendation. Copies of this correspondence, which was referred to the Committee on Government Operations, are enclosed for your information.

Briefly, the Bureau's bill proposes that the maximum per diem travel allowance be increased from \$9 to \$13; that special provision be made for unusual types of travel where the maximum rate would be much less than the necessary actual expenses incurred; that present mileage allowances remain unchanged; that the maximum per diem allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15; and that the travel rates for civilian employees who travel as witnesses on behalf of the United States be governed by the Travel Expense Act of 1949, as amended, rather than by separate legislation.

These proposed amendments were developed after extensive study and consultation with the major agencies of the Government. It is suggested that if your committee plans to take up legislation amending the Travel Expense Act, consideration be given to the changes proposed by the Bureau's bill.

Sincerely yours,

PERCIVAL F. BRUNDAGE,  
*Acting Director.*

UNITED STATES CIVIL SERVICE COMMISSION,  
Washington, D. C., May 10, 1955.

Hon. OLIN D. JOHNSTON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR SENATOR JOHNSTON: This is in further reply to your letter of April 1, 1955, requesting the views of the Civil Service Commission on S. 1580, a bill to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

Section 2 of the bill would increase the maximum per diem allowance from \$9 to \$13 for Federal civilian employees who travel on official business within the limits of the continental United States. Section 3 would increase from 4 cents per mile to 6 cents per mile the allowance to employees for use of their privately owned motorcycles, and from 7 cents per mile to 10 cents per mile for use of their privately owned automobiles or airplanes, when traveling on official business.

## TRAVEL EXPENSE ACT OF 1955

3

On March 8, 1955, the Bureau of the Budget submitted to the Congress a legislative proposal which, among other things, would increase the maximum per diem allowance from \$9 to \$13 for civilian employees who travel on official business within the limits of the continental United States. A study by the Bureau of the Budget indicated such an increase was warranted on the basis of average hotel room rates, the increased price of hotel restaurant meals, and the increased cost of incidental expenses. The Commission endorses this provision of S. 1580.

The administration's legislative proposal recommends against any increase in mileage allowances to employees for use of privately owned vehicles while traveling on official business. No change in the present allowances was found to be justified on the basis of cost figures for the operation of automobiles, and the average mileage allowances most commonly used by private companies which compensate their employees on a flat mileage basis for use of personal cars on company business. The Commission does not favor section 3 of S. 1580.

The administration's legislative proposal also recommends three other changes in the present travel allowances. They are: (1) a special provision for unusual types of travel where the maximum rate would be much less than the necessary actual expenses incurred; (2) an increase from \$10 to \$15 in the maximum per diem allowance for employees serving without compensation; and (3) that travel rates for civilian employees who travel as witnesses on behalf of the United States be governed by the Travel Expense Act of 1949, as amended, rather than by separate legislation.

Because S. 1580 does not carry out all the recommendations contained in the administration's legislative proposal, we strongly recommend favorable action on the draft bill submitted to the Congress on March 8, 1955, instead of S. 1580.

We are advised that the Bureau of the Budget has no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

PHILIP YOUNG, *Chairman.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington, April 19, 1955.*

HON. OLIN D. JOHNSTON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of April 1, 1955, acknowledged by telephone April 6, enclosing copies of S. 1580, 84th Congress, and requesting our report and comments thereon.

The bill would amend sections 3 and 4 of the Travel Expense Act of 1949 (63 Stat. 166). Specifically, the maximum allowable per diem rate for travel within the continental United States would be raised from \$9 to \$13, and the maximum mileage rates, for the use of privately owned motorcycles and automobiles, from 4 and 7 cents to 6 and 10 cents, respectively.

With respect to the maximum per diem rate contemplated by the bill, upon the basis of recent experiences by employees of our Office the existing maximum rate of \$9 is inadequate. We have found generally that our employees are required to expend approximately \$12 per day for suitable lodging, meals, and additional necessary subsistence expenses incident to official travel. We recognize, however, that governmentwide experience may reflect a need for a maximum per diem of \$13. Accordingly, it is recommended that section 3 of the Travel Expense Act of 1949 be amended by eliminating the figure "\$9" and substituting either "\$12" or "\$13" in lieu thereof, as the overall facts presented to your committee may warrant.

Concerning the proposed increased mileage rates for the use of privately owned motorcycles and automobiles, there is no information available here relative to the necessity therefor.

Sincerely yours,

JOSEPH CAMPBELL,  
*Comptroller General of the United States.*



## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## SECTIONS 3 AND 4 OF THE TRAVEL EXPENSE ACT OF 1949

SEC. 3. Civilian officers and employees of the departments and establishments (except justices and judges covered by section 456 of title 28 of the United States Code), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of **[\$9]** *\$13* within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed: *Provided*, That such civilian officers and employees who become incapacitated due to illness or injury, not due to their own misconduct, while traveling on official business and away from their designated posts of duty, shall be allowed such per diem allowances, and transportation expenses to their designated posts of duty, in accordance with regulations promulgated and approved under this Act.

SEC. 4. Civilian officers or employees of departments and establishments or others rendering service to the Government shall, under regulations prescribed by the Director of the Bureau of the Budget, and whenever such mode of transportation is authorized or approved as more advantageous to the Government (except that no determination of advantage is required where payment on a mileage basis is limited to the cost of travel by common carrier, including per diem), be paid in lieu of actual expenses of transportation not to exceed **[4] 6** cents per mile for the use of privately owned motorcycles, or **[7] 10** cents per mile for the use of privately owned automobiles or airplanes, when engaged on official business within or outside their designated posts of duty or places of service. In addition to the mileage allowances provided for in this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.



Calendar No. 352

84TH CONGRESS  
1ST SESSION

**S. 1580**

[Report No. 348]

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IN THE SENATE OF THE UNITED STATES

MARCH 30 (legislative day, MARCH 10), 1955

Mr. JOHNSTON of South Carolina introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

MAY 11 (legislative day, MAY 2), 1955

Reported by Mr. PASTORE, without amendment

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**A BILL**

To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Travel Expense Act of  
4       1955".

5       SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C.  
6       836-837) is amended by striking the figure "\$9" and  
7       inserting "\$13" in lieu thereof.

8       SEC. 3. Section 4 of said Act is amended by striking  
9       the figures "4 cents" and "7 cents" and inserting "6 cents"  
10      and "10 cents", respectively, in lieu thereof.

11      SEC. 4. This Act shall take effect no later than thirty  
12      days following its enactment.

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Calendar No. 352

84TH CONGRESS  
1ST SESSION

**S. 1580**

[Report No. 348]

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## **A BILL**

To regulate subsistence expenses and mileage  
allowances of civilian officers and employees  
of the Federal Government.

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By Mr. JOHNSTON of South Carolina

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MARCH 30 (legislative day, MARCH 10), 1955

Read twice and referred to the Committee on Post  
Office and Civil Service

MAY 11 (legislative day, MAY 2), 1955

Reported without amendment

## Calendar No. 357

84TH CONGRESS }  
1st Session }

SENATE

} REPORT  
No. 353

AMENDING SECTION 3 OF THE TRAVEL EXPENSE ACT OF 1949 AS  
AMENDED, TO PROVIDE AN INCREASED MAXIMUM PER DIEM  
FOR SUBSISTENCE AND TRAVEL EXPENSES

MAY 17 (legislative day, MAY 2), 1955.—Ordered to be printed

Mr. JACKSON, from the Committee on Government Operations,  
submitted the following

### R E P O R T

[To accompany S. 1795]

The Committee on Government Operations, to whom was referred the bill (S. 1795) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance in lieu of subsistence and travel expenses for civilian officers and employees of the Government while traveling on authorized official business within the continental United States, having considered the same, report favorably thereon, with an amendment, and recommend that the bill as amended do pass.

S. 1795 was introduced in response to a request addressed to the President of the Senate by the Director of the Bureau of the Budget. Its objectives were endorsed by the President of the United States in his message to the Congress on Federal personnel management, on January 11, 1955.

The committee amendment struck out a provision in the first section of the bill which would have extended the present act to direct the Director of the Bureau of the Budget to prescribe regulations under which heads of departments and establishments would be authorized, where unusual circumstances of travel are involved and actual expenses exceed the \$13 maximum, to determine in advance of such travel a maximum designed to cover actual expenses in lieu of the per diem basis established by this act.

#### PURPOSE

The purpose of this bill is to permit the heads of departments and agencies, who authorize the performance of official travel, to increase the per diem in lieu of subsistence from the present maximum of \$9

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## 2 AMEND TRAVEL EXPENSE ACT OF 1949, AS AMENDED

to a maximum of \$13, in those instances where such amount is needed to defray the normal living expenses of Government employees performing travel on official business away from their designated posts of duty. Evidence submitted to the committee discloses that the current maximum of \$9 is inadequate to defray the normal living expenses of employees who are required to travel in high-cost areas. The \$13 maximum which this bill would establish is not mandatory. It is intended merely to provide flexibility for the heads of departments and agencies so as to enable them to establish rates between \$9 and \$13 in those cases where the \$9 rate is now inadequate.

Section 2 of the bill proposes to raise the existing \$10 per diem allowance to consultants, and other persons employed without compensation, to \$15 per diem when in travel status within the continental limits of the United States.

Section 3 would bring civilian employees when traveling as witnesses on behalf of the United States under the provisions of the Travel Expense Act instead of including them under separate legislation, as recommended by the Department of Justice.

A new section 4 has been included in the bill to overcome objections to a similar bill (S. 3200) reported by the committee and approved by the 83d Congress (increasing the maximum per diem allowance from \$9 to \$12), which would authorize the reimbursement of Members of Congress and employees of the legislative branch for travel expense while on official business on the same basis as other Federal officers and employees.

## GENERAL STATEMENT

Based upon a study made by the Bureau of the Budget in 1954, this committee recommended and the Senate approved a bill during the 2d session of the 83d Congress (S. 3200) to increase the present maximum from \$9 to \$12. The House failed to act on this bill. The language of the bill as approved by the Senate was incorporated as an amendment to H. R. 7774, the Federal Employees Pay Act, later in the session, but the latter bill was vetoed by the President for other reasons.

The President, in his message to the Congress recommending legislation to improve Federal personnel management, on January 11, 1955, stated that—

The per diem allowance of \$9 for civilian employees who travel on official business was established in 1949. Since that time the cost of lodging, meals, and incidental expenses has increased. It is not fair to ask Government employees to defray part of their official travel and subsistence from their personal funds. Recommendations soon will be submitted to the Congress for an appropriate increase in the present rate.

In a letter addressed to the President of the Senate under date of March 8, 1955, the Director of the Bureau of the Budget referred to the President's recommendation and submitted a draft bill, which was referred to the Committee on Government Operations for consideration. Pursuant to the request of the Director of the Budget, the subject bill was introduced in the Senate on April 25, 1955.

## HEARINGS BEFORE THE HOUSE COMMITTEE

The Subcommittee on Executive and Legislative Reorganization of the House Committee on Government Operations held hearings on a bill (H. R. 4918) identical to S. 1795, and on two related bills, H. R. 4169 and H. R. 3950, the latter providing for increases in per diem to a maximum of \$15. Extensive testimony was submitted to the committee by representatives of the Bureau of the Budget, Civil Service Commission, and the Departments of Agriculture, Interior, Justice, and Defense, all of whom supported the administration bill, H. R. 4918. In addition, representatives from the Government Employees' Council, American Federation of Labor; the National Federation of Federal Employees; the American Federation of Technical Engineers (A. F. of L.); the American Federation of Government Employees; and the committee on legislation for the National Association of Internal Revenue Employees appeared in support of the measure. One of the employee organizations favored an increase to a maximum of \$15, as proposed under H. R. 4169 and H. R. 3950.

The evidence submitted at these hearings indicated unanimous agreement among competent authorities that the existing maximum per diem travel allowance of \$9 is inadequate to reimburse Federal employees who are in travel status for actual out-of-pocket expenses, and numerous instances were cited where accurate accounts had been kept to illustrate that the actual per diem expense exceeds \$13 in practically all metropolitan areas.

## COMMENTS OF THE BUREAU OF THE BUDGET

In support of the draft bill as submitted to the Congress, the Director advised the Congress as follows:

The first section of the draft bill would amend section 3 of the Travel Expense Act of 1949, as amended. It would increase the maximum per diem allowance from \$9 to \$13 for civilian employees who travel on official business within the limits of the continental United States. It is to be understood, however, and the Standardized Government Travel Regulations will continue to emphasize the fact that the departments and establishments are responsible for seeing to it that travel orders authorize only such per diem allowances within the maximum rate as are justified by the circumstances surrounding the travel. In other words, care is to be exercised to prevent the fixing of a per diem allowance in excess of that required to meet the necessary authorized expenses.

The first section also contains a provision to take care of a very limited number of situations where employees are required to travel on assignments which necessitate personal expenditures well in excess of the maximum rate. In such cases employees would be reimbursed on an actual expense basis in lieu of the per diem basis. The Director of the Bureau of the Budget would prescribe regulations governing the types of situations under which the actual expense basis would be used. Within such regulations, the heads of departments and establishments would prescribe the conditions under which this special reimbursement would be authorized. A maximum allowable amount of reimbursement would be determined in advance of the trip and would be set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.<sup>1</sup>

Section 2 of the draft bill proposes that the maximum per diem travel allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15. This would amend section 5 of the Administrative Expenses Act of 1946. At present the \$10 maximum applies to travel both within and beyond the limits of the continental United States. Under the proposal the maximum would apply only to travel within the limits of the continental United States. For travel outside such limits the maximum per diem rates established

<sup>1</sup> This provision of the bill was not included in S. 1795 as reported by the committee.

by the Director of the Bureau of the Budget, pursuant to section 3 of the Travel Expense Act of 1949, would apply.

Section 3 of the draft bill would amend section 1823 (a) of title 28, United States Code. This would bring the travel rates for civilian employees when traveling as witnesses on behalf of the United States under the Travel Expense Act instead of continuing them under separate legislation. The rates in both acts are now identical. The proposed amendment, however, would not make the proposed reimbursement of unusual expenses on an actual expense basis applicable to travel of employees to serve as witnesses. The existing authority of the Attorney General to issue regulations relating to this travel, as contained in section 1823 (a), would not be changed by this amendment. The Department of Justice suggested this change.

The draft bill does not propose any change in the mileage allowances authorized to be paid to Government employees for use of their privately owned motor vehicles, while traveling on official business. Information at hand does not indicate a need for change in such allowances.

It is difficult to estimate precisely the additional cost to the Government of the draft bill. The increase will result largely from the graduated scale of rates which will be used between the present \$9 maximum and the proposed \$13 maximum in those cases where \$9 is now inadequate. However, it is believed that the total additional cost of the draft bill will not exceed a maximum of \$30 million a year and its actual cost may be several million under this figure.

#### INADEQUACY OF TRAVEL ALLOWANCES

The Director of the Bureau of the Budget also submitted the following statement relative to the inadequacy of travel allowances authorized by existing law:

##### *Regular civilian employees*

The existing maximum per diem allowance for civilian employees while traveling within the limits of the continental United States is prescribed as \$9 by the Travel Expense Act of 1949, as amended. This rate of \$9 is the maximum allowable. Lower rates are authorized for trips in areas where the expenses necessarily incurred by travelers are less than in high cost areas.

The recommended maximum rate of \$13 consists of approximately \$7.30 for hotel room; \$4.50 for meals; and \$1.20 for incidental expenses. It is based upon the following considerations:

*Hotel costs.*—The hotel accounting firm of Harris, Kerr & Forster has found, upon a study of room rates of 375 hotels used by businessmen in traveling, that the average room rate for a single room during 1954 was \$7.30. The hotel accounting firm of Horwath & Horwath, on the basis of an average sample of between 360 and 400 hotels, has advised that the average room rate for a single room during 1954 was between \$6.70 and \$6.95. These estimates of the two firms represent average room rates. The higher amount of \$7.30 has been used since the recommended rate of \$13 per diem represents not an average but a maximum allowable per diem.

*Cost of meals.*—The amount estimated for meals per day is \$4.50, based upon an allocation of \$1 for breakfast; \$1.25 for luncheon; and \$2.25 for dinner. Both hotel accounting firms report that the price of hotel restaurant meals has increased approximately 20 percent since 1949.

*Incidental expenses.*—The amount, averaging \$1.20 per day, is intended to cover such items of expense as tips and fees while traveling; hotel tips; tips to waiters; laundry; cleaning and pressing; telegrams for room reservations; etc. These miscellaneous expenses have also increased in recent years. The Bureau of Labor Statistics reports, on the basis of a study of prices in 34 large cities until 1952 and in 46 cities since that time, that the cost of dry cleaning and pressing has increased 13.2 percent between June 1949 and September 1954; and that the cost of laundry has increased 18.3 percent during the same period. In view of the higher costs of meals, the amounts for tips have correspondingly increased.

##### *Individuals serving without compensation*

The existing maximum per diem rate of \$10 is prescribed in section 5 of the Administrative Expenses Act of 1946 for individuals serving the Government without compensation and applies while they are away from home or regular places of business. Since these individuals generally serve as consultants for short periods of time and serve without receiving any compensation, a higher

maximum rate of per diem than that prescribed for regular employees has been allowed in the past. In view thereof, the maximum rate of \$15 is recommended for these individuals. Section 5 of the Administrative Expenses Act of 1946 provides that a rate higher than that prescribed therein may be authorized in specific legislation. The rate of \$15 was provided in the Defense Production Act of 1950. The 83d Congress authorized the \$15 rate for members of the President's Advisory Committee on Government Organization; members of the National Capital Planning Commission who serve without compensation; and individuals serving without compensation in an advisory capacity under the item "International contingencies" in the Department of State appropriation acts for the fiscal years 1954 and 1955. A per diem rate not in excess of \$25 has been provided for individuals serving without compensation on advisory committees under title VI of the Housing Act of 1949 and under the Housing Act of 1954. The 83d Congress also increased to \$15 the per diem rate for Federal judges and justices which had been established at \$10 in 1940.

*Special form of reimbursement for unusual circumstances \**

The provision in the first section of the draft bill, authorizing reimbursement on an actual expense basis in lieu of the per diem basis, is proposed for use in a very limited number of situations. Occasionally employees are required to travel on assignments which necessitate personal expenditures well in excess of the reimbursement which would be obtained at the \$13 per diem rate. Attendance at meetings or conventions of private business or industry which are held at expensive hotels is an example. Government representatives attending these meetings in furtherance of their official duties have no choice but to stay at the convention hotel where even the cheapest rooms may exceed the entire per diem. Likewise these representatives are required to take their meals at these hotels. A similar situation where expensive hotels must be used arises at times when Secret Service agents travel with the President and must stay at the hotel in which he stays. Likewise unusually high rates are encountered from time to time when an employee must travel to a locality in which a disaster has occurred or must travel at a particular time to a city when only the more expensive hotel rooms are available due to conventions. As set forth in the draft bill, this type of travel would be governed by regulations of the Director of the Bureau of the Budget and under conditions prescribed by department heads. Also a maximum allowable amount of reimbursement would be determined in advance of the trip and would set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.

*Mileage allowances*

No changes in mileage allowance rates are proposed for the following reasons: The American Automobile Association in its Information Bulletin No. 92 of August 4, 1954, reported on the practice of private business in compensating their employees for use of personal cars on company business. The report contains a listing of flat mileage allowances used by private business firms as compiled by the Dartnell Corp., Chicago, Ill. Of the total firms covered by the Dartnell survey, 28 percent reimbursed employees for use of their automobiles at a rate less than 7 cents a mile; 45 percent at the 7-cent rate; 5 percent between 7 and 8 cents; 16 percent at 8 cents; and 3 percent at 9- and 10-cent rates. The weighted average allowance as reported by Dartnell was 7.01 cents.

More recent information has been obtained from the AAA giving a breakdown of cost figures for the operation of an automobile as prepared by Runzheimer & Co., Chicago cost-accounting firm. The breakdown for a postwar model car in the \$2,000 price class, driven up to 18,000 miles per year, shows that variable costs (gasoline, oil, maintenance, and tires) average 3.54 cents per mile while the fixed costs (insurance, license fees, depreciation) average about \$1.65 per day. On a mileage basis for the entire year the total cost to a car owner would be approximately 6.86 cents per mile. This amount for a comparable car, driven only approximately 10,000 miles a year, was given as 9.52 cents per mile. These rates, of course, vary with the mileage driven, the class of car, and the type of driving conditions generally encountered by the individual during a year, whether in mountainous or flat country or in congested metropolitan centers or rural areas.

Since the rate of 7 cents per mile still appears to be the rate most commonly used by companies which have followed the flat mileage method, no change is recommended for the Federal Government.

\* Not included in S. 1795, as reported by the committee.



## SUMMARY

On the basis of these reports and the supporting evidence, it is recommended that the present maximum per diem allowance of \$9 should be increased to \$13 as a matter of equity, so that Federal employees in travel status will be able to defray normal travel expenses in metropolitan or other high-cost areas.

The committee strongly emphasizes, however, that, in accordance with the provisions of the Travel Expense Act of 1949, as amended, the increase in per diem allowance recommended herein will not be mandatory but would authorize reimbursement up to and including \$13 a day only when the cost of living in the areas where travel is to be performed justifies the payment of that amount. This is presently recognized in the Standardized Government Travel Regulations which provide in part as follows:

The per diem allowances provided herein represent the maximum allowable, not the minimum. It is the responsibility of the departments and establishments to see that travel orders authorize only such per diem allowances as are justified by the circumstances surrounding the travel. To this end, care should be exercised to prevent the fixing of a per diem allowance in excess of that required to meet the necessary authorized expenses.

Information submitted to the committee indicates that agencies are setting rates below the maximum when a lower rate is deemed adequate to cover a specific trip. The committee has been given assurances that this same general policy would be adhered to in the application of the new maximum contained in S. 1795, if approved by the Congress. For example, the Department of Commerce has 10 different rates, ranging from a minimum of \$2.40 to the present maximum of \$9. The Department of Agriculture has 30 different rates, ranging from a \$1 minimum. In the fiscal year 1953, only 15.8 percent of the total domestic travel in Agriculture was performed at the maximum rate. This is because a large part of the travel is in rural areas. An analysis of travel vouchers made by the Department of the Army for the month of April 1953 indicated that 55 percent of the travel was at the maximum rate and the remainder at lower rates.

In view of the foregoing, and the fact that the Congress has in several instances recognized the need for an increase over the present maximum by special enactments, the committee recommends the approval of S. 1795. It constitutes a fair and equitable adjustment in subsistence to permit refunds of out-of-pocket expenses incurred by Federal employees in travel status, based on evidence submitted to the committee which clearly shows that increases in hotel, food, and other costs since 1949 warrant such action.

The maximum subsistence allowance payable to Federal judges and justices was established at \$10 a day in 1940, and, based on recognized increases in travel costs since that time, the per diem was increased to \$15 by Public Law 222, approved August 8, 1953. The Congress held, when it took such action, that most of the judges and justices could not, in many instances, pay for meals, lodging, and incidental expenses incurred in moderately priced hotels while on judicial business, under the then authorized maximum, without drawing on their personal funds.

Specific authority has also been included in appropriations acts, and in other enabling statutes authorizing payments of up to \$25 per day

in lieu of subsistence for official travel performed by certain groups of executives, consultants, experts, and other officials. For example, under Public Law 108, 83d Congress, members of the Hoover Commission may receive reimbursement for official travel on an actual expense basis, and members of the President's Advisory Committee on Government Organization, who serve without compensation, are paid up to \$15 a day for subsistence. Also, consultants appointed to advisory committees of the Housing and Home Finance Agency, pursuant to title 6 of the Housing Act of 1949, may be paid not to exceed \$25 per day, and members of the National Capital Planning Commission who serve without compensation are reimbursed at the rate of \$15 a day in lieu of subsistence. There are other instances where the Congress has recently authorized payments in lieu of subsistence to members of various study commissions, who serve without compensation, at rates not to exceed \$25 per day. The Career Incentive Act of 1955 (Public Law 20, 84th Cong.) authorized an increase in the per diem allowance in lieu of subsistence for military personnel, from \$9 to \$12 (sec. 2 (11)).

#### MILEAGE ALLOWANCES:

This bill does not propose any change in the mileage allowances authorized to be paid to Government employees for use of their privately owned motor vehicles, while traveling on official business. The Bureau of the Budget, in submitting this proposed legislation, recommended that the present law remain unchanged as it relates to such travel expenses. For this reason, the adequacy or inadequacy of the existing rate of 7 cents a mile allowed for use of privately owned automobiles or airplanes and 4 cents a mile for privately owned motorcycles was not considered by the committee.

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (matter omitted in brackets; new material in italics; existing law in which no change is reported, shown in roman):

#### TRAVEL EXPENSE ACT OF 1949

(63 Stat. 166, as amended; 5 U. S.C. 836)

\* \* \* \* \*

Sec. 3. Civilian officers and employees of the departments and establishments (except justices and judges covered by section 456 of title 28 of the United States Code), while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the department or establishment concerned, not to exceed the rate of ~~[\$9]~~ \$13 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates established by the Director of the Bureau of the Budget for the locality in which the travel is performed: *Provided*, That such civilian officers and employees who become incapacitated due to illness or injury, not due to their own misconduct, while traveling on official business and away from their designated posts of duty, shall be allowed such per diem allowances, and transportation expenses to their designated posts of duty, in accordance with regulations promulgated and approved under this Act.

\* \* \* \* \*

## 8 AMEND TRAVEL EXPENSE ACT OF 1949, AS AMENDED

## THE ADMINISTRATIVE EXPENSES ACT OF 1946

(60 Stat. 808; 5 U. S. C. 73B-2)

\* \* \* \* \*

SEC. 5. Persons in the Government service employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis may be allowed travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence while at place of such employment, in accordance with the Standardized Government Travel Regulations, sections 73a, 821-823, and 827-833 of this title, and persons serving without compensation or at \$1 per annum may be allowed, while away from their homes or regular places of business, transportation in accordance with said regulations and section 73a of this title, and not to exceed ~~[\$10 per diem]~~ *\$15 per diem within the limits of the continental United States and, beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)*, in lieu of subsistence en route and at place of such service or employment unless a higher rate is specifically provided in an appropriation or other Act.

\* \* \* \* \*

## TITLE 28, UNITED STATES CODE

## § 1823. United States officers and employees.

(a) Any officer or employee of the United States or any agency thereof, summoned as a witness on behalf of the United States, shall be paid his necessary expenses incident to travel by common carrier, ~~[and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence]~~ *or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as prescribed, in, or established pursuant to, section 3 thereof* under regulations prescribed by the Attorney General. \* \* \*

\* \* \* \* \*

## LEGISLATIVE-JUDICIARY APPROPRIATION ACT, 1955

(68 Stat. 399)

## TITLE I—LEGISLATIVE BRANCH

## SENATE

## CONTINGENT EXPENSES OF THE SENATE

\* \* \* \* \*

Inquiries and investigations: \* \* \* *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949) at rates in excess of ~~[\$9]~~ *\$13 per day* except that higher rates may be established by the Committee on Rules and Administration in the case of travel beyond the limits of the continental United States.

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**SUBSISTENCE EXPENSES AND MILEAGE ALLOW-  
ANCES OF CIVILIAN OFFICERS AND EMPLOYEES  
OF THE FEDERAL GOVERNMENT**

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**HEARING**  
**BEFORE A**  
**SUBCOMMITTEE OF THE**  
**COMMITTEE ON**  
**GOVERNMENT OPERATIONS**  
**HOUSE OF REPRESENTATIVES**  
**EIGHTY-FOURTH CONGRESS**  
**FIRST SESSION**

**ON**  
**H. R. 6295, H. R. 4918, H. R. 4169, and H. R. 3950**  
**BILLS TO AMEND SECTION 3 OF THE TRAVEL EXPENSE**  
**ACT OF 1949, AS AMENDED, TO PROVIDE AN INCREASED**  
**MAXIMUM PER DIEM ALLOWANCE FOR SUBSISTENCE AND**  
**TRAVEL EXPENSES, AND FOR OTHER PURPOSES**

**APRIL 26, 1955**

Printed for the use of the Committee on Government Operations



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**SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES  
OF CIVILIAN OFFICERS AND EMPLOYEES OF THE  
FEDERAL GOVERNMENT**

**(H. R. 6295, H. R. 4918, H. R. 4169, and H. R. 3950)**

**TUESDAY, APRIL 26, 1955**

**HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON EXECUTIVE AND  
LEGISLATIVE REORGANIZATION OF THE  
COMMITTEE ON GOVERNMENT OPERATIONS,  
Washington, D. C.**

The subcommittee met, pursuant to call, at 10 a. m., in room 1501, New House Office Building, Hon. William L. Dawson (chairman of the full committee) presiding.

Present: Representatives Dawson, McCormack, Brown of Ohio, Jonas, Fascell, and Kilgore.

Also present: Representative Hoffman; William Pincus, associate general counsel; and Elmer W. Henderson, subcommittee counsel.

The CHAIRMAN. The meeting will now come to order.

The Subcommittee on Executive and Legislative Reorganization of the Committee on Government Operations is considering legislation to increase the maximum per diem allowance for subsistence and travel expenses for Federal employees and those who serve without compensation.

The present maximum per diem rate established by the Travel Expense Act of 1949, which originated in this committee, is \$9 per day, and for those who work without compensation, \$10 per day.

The rate for privately owned automobiles is 7 cents per mile and 4 cents for motorcycles, established by the same act.

During the period since 1949 the committee has been informed that the cost of travel and subsistence has risen, and that the rates prescribed by the act are no longer adequate. Various members have been concerned about this, and the Bureau of the Budget has made specific recommendations on behalf of the President.

H. R. 4918, which embodies the President's views, would raise the per diem rate to \$13 a day for regular employees, and to \$15 for those serving without compensation.

(H. R. 4918 is as follows:)

[H. R. 4918, 84th Cong., 1st sess.]

A BILL To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes

*Be it enacted by the House of Representatives of the United States of America in Congress assembled, That section 3 of the Travel Expense Act of 1949 (63 Stat. 166, as amended; 5 U. S. C. 836) is further amended by striking "\$9" and inserting in lieu thereof "\$13"; and by striking the period at the end thereof and adding*

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the following additional proviso: "And provided further, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribe conditions under which reimbursement for such expenses may be authorized in advance of the performance of a trip on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization."

SEC. 2. Section 5 of the Administrative Expenses Act of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by striking "\$10 per diem" and inserting in lieu thereof "\$15 per diem within the limits of the continental United States and, beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)".

SEC. 3. The first sentence of section 1823 (a) of title 28, United States Code, is amended by striking the portion "and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence" and inserting in lieu thereof "or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as described in, or established pursuant to, section 3 thereof".

The CHAIRMAN. H. R. 4169, introduced by Congressman Chudoff, who is a member of the Government Operations Committee, and H. R. 3950, introduced by Congressman Withrow, would raise the per diem rate for regular employees to \$15 per day, and increase the mileage rate for autos to 12 cents per mile, and for motorcycles to 6 cents per mile.

(H. R. 4169 and H. R. 3950 are as follows:)

[H. R. 4169, 84th Cong., 1st sess.]

A BILL To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expense Act of 1955".*

SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C. 836-837) is amended by striking the figure "\$9" and inserting "\$15" in lieu thereof.

SEC. 3. Section 4 of said Act is amended by striking the figures "4 cents" and "7 cents" and inserting "6 cents" and "12 cents", respectively, in lieu thereof.

SEC. 4. This Act shall take effect no later than thirty days following its enactment.

[H. R. 3950, 84th Cong., 1st sess.]

A BILL To regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expense Act of 1953".*

SEC. 2. Section 3 of the Act of June 9, 1949 (5 U. S. C. 836-837) is amended by striking the figure "\$9" and inserting "\$15" in lieu thereof.

SEC. 3. Section 4 of said Act is amended by striking the figures "4 cents" and "7 cents" and inserting "6 cents" and "12 cents", respectively, in lieu thereof.

SEC. 4. This Act shall take effect no later than thirty days following its enactment.

(A clean bill H. R. 6295, reported with amendments—H. Rept. No. 604—follows:)



[Insert the part printed in *italics*]

[H. R. 6295, 84th Cong., 1st sess.]

A BILL To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 3 of the Travel Expense Act of 1949 (63 Stat. 166, as amended; 5 U. S. C. 836) is further amended by striking "\$9" and inserting in lieu thereof "\$13"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7, prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status."

SEC. 2. Section 5 of the Administrative Expenses Act of 1946 (60 Stat. 808; 5 U. S. C. 73b-2) is amended by striking "\$10 per diem" and inserting in lieu thereof "\$15 per diem within the limits of the continental United States and beyond such limits, not to exceed the rates of per diem established by the Director of the Bureau of the Budget pursuant to section 3 of the Travel Expense Act of 1949, as amended (5 U. S. C. 836)"; and by striking the period at the end thereof and adding the following additional proviso: "*And provided further*, That where due to the unusual circumstances of a travel assignment within the limits of the continental United States such maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip, the heads of departments and establishments may, in accordance with regulations promulgated by the Director, Bureau of the Budget, pursuant to section 7 of the Travel Expense Act of 1949 as amended (5 U. S. C. 840) prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization, but in any event not to exceed \$25 for each day in travel status."

SEC. 3. The first sentence of section 1823 (a) of title 28, United States Code, is amended by striking the portion "and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed \$9 in lieu of subsistence" and inserting in lieu thereof "or, if travel is made by privately owned automobile, at a rate not to exceed that prescribed in section 4 of the Travel Expense Act of 1949, together with a per diem allowance in lieu of subsistence not to exceed the rates of per diem as described in, or established pursuant to, section 3 thereof".

The CHAIRMAN. The purpose of these hearings is to secure for the committee the necessary information to act on those measures. The Congress wishes to do the fair and just thing for our Federal employees, and does not expect that they should pay out of their own pockets the expenses necessary to carrying out their assignments.

Mr. McCORMACK. May I be recognized for a moment, Mr. Chairman?

The CHAIRMAN. Certainly.

Mr. McCORMACK. I know that the other members of the committee are very happy to hear and to know that this is the birthday anniversary of our distinguished chairman of the committee, for whom we all have not only a strong feeling of friendship and a profound feeling of respect, but a deep feeling of esteem. And I know I speak the sentiments of the other members of the committee and the staff, and I think I might well include those present, in extending to Congressman Dawson our hearty congratulations and our very best wishes for happiness and success in the years to come.

Mr. BROWN. I would like to have the record show that the minority certainly joins in that expression of good will. [Applause.]

The CHAIRMAN. Thank you.

Each member of the subcommittee has been provided with a folder. The first item on your folder is a list of witnesses expected to be heard or who have submitted statements on this matter.

The next is a comparative analysis of the three bills that have been filed. That is followed by copies of the bills themselves.

Next in order you will find in your folder the report of the Office of the President through the Bureau of the Budget, addressed to the Speaker of the House, containing two enclosures concerning the adequacy of travel allowance for the individuals serving without compensation and mileage allowance.

That is followed by the thoughts of the Comptroller General of the United States on these three bills.

Following that is a report of the Treasury Department.

That is followed by the report of the Office of the Assistant Secretary of Defense.

That is followed by the report from the Department of Agriculture, followed by a report from the United States Department of Labor, and a report from the Central Intelligence Agency.

They are followed by a copy of the law of 1949, followed by a statement of United States Code 28, 1723 (a), and United States Code 5, 73 (b) (2), which deals with United States officers and employees, travel expenses of consultants or experts, transportation of persons serving without compensation.

Then it is followed by a copy of the standardized Government travel regulations as put out by the Bureau.

Then there is a statement submitted by Congressman Chudoff, who is not present, and who wishes to give his views through this statement. And if there is no objection, that will be included in the record at this point.

(The statement of Congressman Chudoff is as follows:)

STATEMENT OF HON. EARL CHUDOFF, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF PENNSYLVANIA

The bill H. R. 4169, which I have introduced to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government has, in my opinion, a very worthy objective.

If enacted, it would increase the per diem allowance from the present maximum of \$9 to \$15 a day. It would also permit Federal workers who use their own automobiles or motorcycles on official business to receive reimbursement at the rate of 12 cents instead of the present 7 cents a mile for automobile travel, and 6 cents instead of 4 cents a mile for the use of a privately owned motorcycle.

These increases are long overdue. Prices of everything a person needs and uses have continued to increase since the last increase in these allowances was made in 1949. Some have increased more than others, but few commodities or services have increased during that period in greater proportion than has the cost of travel.

The proposal to increase the per diem allowance from \$9 to \$15 can be substantiated directly on the basis of increased prices of the accommodations and services which the traveler must purchase. It can be defended also on the basis of a deferred need. The \$9 allowance was inadequate when it was established more than 5 years ago. It did not fully reflect the increase in prices up to that time and there is, therefore, a lag in providing a proper adjustment of these rates which must not be allowed to continue.

There are various errors which seem to have crept into the thinking on this subject of travel allowances. There is usually the caution that the sum provided by law should not be too high or employees might squander the Government's money and live lavishly at Government expense. How one can live lavishly at a big-city hotel and obtain food and satisfy other needs on even \$15 a day remains to be explained. In addition, there seems to be the belief that the allowances should represent average amounts which employees would be required to spend. Nothing could be more erroneous. These amounts are maximum amounts and are neither intended to apply to all types of travel under all conditions nor are they so administered by the different Government agencies. They must be established on that basis to provide for travel into the high-price areas and population centers. Averaging the prices on which these allowances are to be based is useful in guiding our estimates of the likely cost of increasing the rates, but they in no wise provide us with a sound basis for limiting the allowances to such averages.

The objective of my bill is to shift the entire burden of travel expenses to the Federal Government where it belongs. It is eminently unfair and discriminatory to pay a Federal employee a salary and then expect him to pay part of the cost of his trips on Government business. He receives the same salary as that paid other employees who do little or no traveling on Government business, and he is therefore unjustly deprived of part of his pay. If there is any fault existing with respect to official travel it can be corrected by proper administration of the law providing such compensation and proper decisions with respect to the need for travel. But in no case should the unwillingness of the Government to pay all the cost shift part of the expense to the employee.

The proposal to raise the per diem allowance to \$15 can be defended on the basis of a direct comparison of costs today with those 5 or 6 years ago. Surveys of hotel expenses have shown that the average cost of a hotel room today is nearly \$8 a day, which means that on many trips to the larger cities a person traveling for the Government will have to pay \$9 or \$10 or more particularly if accommodations happen to be scarce at the time the employee must make the trip. It should be remembered that he has no choice, but must go when he is so directed.

It is well known that food prices have advanced greatly since 1949 and that as a result all hotel and restaurant meals must be priced higher. In addition to the cost of a hotel room, an employee visiting a large city may have to spend \$4 or \$5 a day for his meals. Besides he will find it necessary to spend an additional sum for certain other tips and incidentals which may bring his total cost easily to \$15 or in some cases even more.

The increased cost of providing, maintaining, and operating an automobile or motorcycle has prompted me to include in my bill increases of the amount an employee is paid by way of reimbursement for the use of the vehicle he himself owns. I believe it is only fair in view of the higher cost of new cars and the higher prices for such things as gasoline, tires, mechanical repairs, and insurance. Some of these items have increased nearly 30 percent since 1949, but here again it should be emphasized that the allowance currently effective was inadequate when it was established. The sum provided should also provide for deterioration and depreciation of a vehicle owned by an employee who is required to use it for the benefit of the Government. It is not fair to expect him to wear it out only for the actual cost of operating the automobile or motorcycle, whichever it may be.

It is, Mr. Chairman, my considered opinion, therefore, that an appropriate increase should be made in these allowances so that the employees of our Federal Government will be protected from personal loss. In closing I desire to express my appreciation for the opportunity to make this statement.

The CHAIRMAN. I am going to call upon the first witness, Mr. Donald R. Belcher. He is the Assistant Director of the Bureau of the Budget, and he is representing the Bureau of the Budget of the Office of the President.

Mr. Belcher.

**STATEMENT OF DONALD R. BELCHER, ASSISTANT DIRECTOR,  
BUREAU OF THE BUDGET; ACCOMPANIED BY ROY J. NEW-  
BOLD AND J. HERBERT WALSH, OFFICE OF MANAGEMENT  
AND ORGANIZATION, BUREAU OF THE BUDGET**

Mr. BELCHER. My name is Donald R. Belcher. I am Assistant Director of the Bureau of the Budget. I have with me Mr. Newbold, sitting at my right, and Mr. Walsh, also members of the Bureau of the Budget.

I appreciate the opportunity to appear before your subcommittee to discuss H. R. 3950, H. R. 4169, and H. R. 4918, which provide for increased allowances for civilian employees who travel on official business.

It is generally recognized that the existing maximum per diem travel allowance of \$9 is, in many cases, inadequate to reimburse the traveler for out-of-pocket costs. In his message to the Congress on Federal personnel management, the President stated that a legislative proposal would be submitted for an appropriate increase in the per diem allowance. At the time that message was submitted, information was being gathered on present-day travel costs. After the information was analyzed, recommendations were made to the Congress.

Those recommendations are embodied in H. R. 4918, which provides that the maximum per diem travel allowance be increased from \$9 to \$13; that special provision be made for unusual types of travel where the maximum rate would be much less than the necessary actual expenses incurred; that present mileage allowances remain unchanged; that the maximum per diem allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15; and that the travel rates for civilian employees who travel as witnesses on behalf of the United States be governed by the Travel Expense Act of 1949, as amended, rather than by separate legislation.

H. R. 3950 and H. R. 4169 would increase the maximum per diem allowance from \$9 to \$15, mileage allowance for motorcycles from 4 cents to 6 cents, and mileage allowance for privately owned automobiles or airplanes from 7 cents to 12 cents.

We believe that for the normal run of travel, rates lower than those provided in H. R. 3950 and H. R. 4169 would be adequate. I shall, therefore, direct my discussion to the provisions of H. R. 4918.

**Increase in per diem:** The first section of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, as amended. It would increase the maximum per diem allowance from \$9 to \$13 for civilian employees who travel on official business within the limits of the continental United States. The \$13 rate would be comprised of approximately \$7.30 for hotel room; \$4.50 for meals; and \$1.20 for incidental expenses. It is based upon the following considerations.

The hotel accounting firm of Harris, Kerr, Forster & Co. reported in December 1954 that, upon the basis of audit of 375 hotels (located in 185 cities and towns throughout the country) used by businessmen in traveling, the average room rate for a single room during 1954 was \$7.30. It more recently reported that its final analysis for calendar year 1954 shows an average single room rate of \$7.40. The hotel accounting firm of Horwath & Horwath, on the basis of an average

sample of between 360 and 400 hotels located throughout the United States, advised in January 1955 that the average room rate for a single room during 1954 was between \$6.70 and \$6.95.

The amount estimated for meals per day is \$4.50 based upon an allocation of \$1 for breakfast; \$1.25 for luncheon; and \$2.25 for dinner. Both hotel accounting firms report that the price of hotel restaurant meals has increased approximately 20 percent since 1949, at which time the estimated meal cost was \$3.75.

The amount for incidental expenses, averaging \$1.20 per day, is intended to cover such items of expense as tips and fees while traveling; hotel tips; tips to waiters; laundry; cleaning and pressing; telegrams for room reservations; et cetera. These miscellaneous expenses have also increased in recent years. The Bureau of Labor Statistics reports, on the basis of a study of prices in 34 large cities until 1952 and in 46 cities since that time, that the cost of dry cleaning and pressing has increased 14 percent between June 1949 and December 15, 1954; and that the cost of laundry has increased 18.7 percent during the same period. In view of the higher costs of meals, the amounts for tips have correspondingly increased.

Some Federal employees keep actual expense records of their travel costs. A few agencies were asked to submit examples of actual expenses incurred by employees. Illustrations of such information are as follows:

1. Expenses incurred by an employee of the Commodity Stabilization Service, Department of Agriculture, in a 20-day trip to Portland, Denver, and Cincinnati averaged \$12.68 a day in Portland, \$13.65 in Denver, and \$11.60 in Cincinnati.

2. Expenses incurred by an employee of the Atomic Energy Commission in a 14-day trip to San Francisco averaged \$13.62 a day.

3. Expenses incurred by an employee of the Bureau of Public Debt, Treasury Department, in 2 trips involving 15½ days to Philadelphia; Columbia, S. C.; Jackson, Miss.; and New Orleans averaged \$13.06 a day.

We have only a limited amount of information on actual travel expenses incurred by employees in private industry. Examples are as follows:

1. The local office of a large corporation indicated average travel costs as follows:

	<i>Per day</i>
Hotel .....	\$8.00-\$8.50
Meals .....	5.75- 7.75
Tips .....	1.00
Average per day .....	14.75-17.25

2. Expenses of a sales representative of another corporation traveling in the 4-State area of Maryland, Virginia, and North and South Carolina during the 6-month period October 1, 1954, to March 31, 1955, involving 45 days of travel, are as follows:

Hotel .....	\$251.25
Meals .....	314.15
Valet, tips, etc .....	82.80
Total .....	648.82
Average per day .....	14.40

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3. A sales representative of another company reported expenses for a 1-week period as follows:

Baltimore:	
Apr. 4, 1955	\$12.90
Apr. 5	12.70
Washington, D. C., Apr. 6	14.45
Richmond, Va., Apr. 7	12.10
Roanoke, Va., Apr. 8	12.20
Danville, Va., Apr. 9	12.20
Average per day	12.75

In considering the rate of \$13 per diem, it must be remembered that this would be the maximum rate. The Standardized Government Travel Regulations will continue to emphasize the fact that the departments and establishments are responsible for seeing to it that travel orders authorize only such per diem allowances within the maximum rate as are justified by the circumstances surrounding the travel.

Per diem rates on a graduated scale are authorized by agencies to meet necessary expenses, depending on the type of travel involved and the length of time spent at individual duty stations. For example, it is estimated that during the present fiscal year, 1,187,632 days of travel will be performed in the Department of Agriculture. Of this total, approximately 908,000 travel days or 76.5 percent will be authorized at per diem rates below the maximum, ranging from \$8 to \$5 and below. In the Department of Interior approximately 50 percent of the estimated travel days for the fiscal year 1956 will be at various rates below the maximum ranging from \$3 to \$8. In the Department of Commerce, 33 percent of the travel is at per diem rates ranging from \$3 to \$8. An analysis of 2,800 civilian-travel vouchers made by the Air Force in 1954 indicated an average per diem rate of \$8.14. Veterans' Administration estimates, for fiscal year 1956, 290,115 days at \$9 per day, 2,500 days at \$6, and 2,500 days at \$4.

Questions have been raised from time to time as to the grades of Federal employees who normally travel. Examples are as follows:

1. The Department of Agriculture estimated that over 90 percent of the days traveled in the present fiscal year would be by employees in grades GS-12 and below, over one-half of which would be in grades GS-9 and below.

2. The Treasury Department estimates that approximately 60 percent of the employees required to travel are at grades GS-9 and below, nearly half of which are at the GS-7 level.

In view of the facts discussed above, it would appear that \$13 is a reasonable maximum per diem rate with the understanding that agencies will continue to be responsible for establishing such rates below the maximum as are justified by the circumstances surrounding the travel.

Disbursement of actual expenses for unusual travel: The provision in the first section of the bill, authorizing reimbursement on an actual expense basis in lieu of the per diem basis, is proposed for use in a very limited number of situations. Occasionally employees are required to travel on assignments which necessitate personal expenditures substantially in excess of the reimbursement which would be obtained at the \$13 per diem rate. Attendance at meetings or conventions of

private business or industry, which are held at expensive hotels is an example.

Government representatives attending these meetings in furtherance of their official duties often have no choice but to stay at the convention hotel where even the cheapest rooms may exceed the entire per diem. Likewise these representatives are required to take their meals at these hotels. A similar situation where expensive hotels must be used arises at times when Secret Service agents travel with the President and must stay at the hotel in which he stays.

Likewise, unusually high rates are encountered from time to time when an employee must travel at a particular time to a city when only the more expensive hotel rooms are available due to conventions. As set forth in the bill, this type of travel would be governed by regulations of the Director of the Bureau of the Budget and under conditions prescribed by department heads. Also a maximum allowable amount of reimbursement would be determined in advance of the trip and would be set forth in the order directing the employee's travel. The employee would be reimbursed for his actual and necessary expenses not in excess of the maximum stated in his travel order.

We believe that, under proper controls, reimbursement on an actual expense basis in lieu of the per diem basis is desirable for the limited number of cases where the maximum per diem rate would not nearly compensate the employee for his necessary expenses.

Individuals serving without compensation: Section 2 of the bill proposes that the maximum per diem travel allowance for civilians performing work for the Government without compensation be increased from \$10 to \$15.

The existing maximum per diem rate of \$10 is prescribed in section 5 of the Administrative Expenses Act of 1946 for individuals serving the Government without compensation and applies while they are away from home or regular places of business. Since these individuals generally serve as consultants for short periods of time and serve without receiving any compensation, a higher maximum rate of per diem than that prescribed for regular employees has been allowed in the past. In view thereof, the maximum rate of \$15 is recommended for these individuals.

Section 5 of the Administrative Expenses Act of 1946 provides that a rate higher than that prescribed therein may be authorized in specific legislation. The rate of \$15 was provided in the Defense Production Act of 1950. The 83d Congress authorized the \$15 rate for members of the President's Advisory Committee on Government Organization; members of the National Capital Planning Commission who serve without compensation; and individuals serving without compensation in an advisory capacity under the item "International contingencies" in the Department of State Appropriation Acts for the fiscal years 1954 and 1955.

A per diem rate not in excess of \$25 has been provided for individuals serving without compensation on advisory committees under title VI of the Housing Act of 1949 and under the Housing Act of 1954. The 83d Congress also increased to \$15 the per diem rate for Federal judges and justices which had been established at \$10 in 1940. Since rates of \$15 and above have been authorized by the Congress under other acts, we believe that individuals subject to the Administrative Expenses Act of 1946, namely, those serving without compensation,

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should be reimbursed for travel expenses at the rate of \$15 per day. We estimate a total of not more than 17,000 travel days in fiscal year 1956 by persons serving without compensation, which would represent an increase in travel costs of \$85,000 under H. R. 4918.

Consolidation of travel authority: Section 3 of the bill would amend section 1823 (a) of title 28, United States Code. This would bring the travel rates for civilian employees when traveling as witnesses on behalf of the United States under the Travel Expense Act instead of continuing them under separate legislation. The Department of Justice suggested this change. The rates in both acts are now identical. The proposed amendment, however, would not make the proposed reimbursement of unusual expenses on an actual expense basis applicable to travel of employees to serve as witnesses. The existing authority of the Attorney General to issue regulations relating to this travel, as contained in section 1823 (a), would not be changed by this amendment.

Mileage allowances: H. R. 4918 does not propose any change in the mileage allowances authorized to be paid to Government employees for use of their privately owned motor vehicles while traveling on official business. Information at hand does not indicate a need for change in such allowances.

The American Automobile Association in its Information Bulletin No. 92 of August 4, 1954, reported on the practice of private business in compensating their employees for use of personal cars on company business. The report contains a listing of flat mileage allowances used by private business firms as compiled by the Dartnell Corp., Chicago, Ill. Of the total firms covered by the Dartnell survey, 28 percent reimbursed employees for use of their automobiles at a rate less than 7 cents a mile; 45 percent, at the 7-cent rate; 5 percent, between 7 cents and 8 cents; 16 percent, at 8 cents; 3 percent, at 9 cents; and 3 percent, at the 10-cent rate. The weighted average allowance as reported by Dartnell was 7.01 cents.

More recent information published by the AAA in their Information Bulletin No. 93 of March 22, 1955, gives a breakdown of cost figures for the operation of an automobile as prepared by Runzheimer & Co., Chicago cost accounting firm. The breakdown for a postwar model car in the \$2,000 price class, driven up to 18,000 miles per year, shows that variable costs (gasoline, oil, maintenance, and tires) average 3.54 cents per mile while the fixed costs (insurance, license fees, depreciation) average about \$1.65 per day. On a mileage basis for the entire year the total cost to a car owner would be approximately 6.86 cents per mile. This amount for a comparable car driven only approximately 10,000 miles a year, was given as 9.52 cents per mile. These rates, of course, vary with the mileage driven, the class of car, and the type of driving conditions generally encountered by the individual during a year, whether in mountainous or flat country or in congested metropolitan centers or rural areas.

The authorization contained in section 4 of the Travel Expense Act of 1949 for employees to use privately owned motorcycles, automobiles, or airplanes on official business with reimbursement on a mileage basis is limited in scope. It applies only when their use is authorized or approved as more advantageous to the Government than the use of common carrier, except that advantage need not be shown where reimbursement is limited to the cost of common carrier.



and the amount of per diem the employee would have received if common carrier facilities were used. Thus, reimbursement on a mileage basis, not to exceed 7 cents per mile, in lieu of actual transportation expenses and without regard to common-carrier costs, is generally limited to trips where common-carrier facilities are not available, such as in rural travel or where the employee-driver is accompanied by other employees, all on official business.

Estimated cost: It is difficult to estimate precisely the additional cost to the Government of the bill. The increase will result largely from the graduated scale of rates which will be used between the present \$9 maximum and the proposed \$13 maximum in those cases where \$9 is now inadequate.

For the fiscal year 1956 it is estimated that the total travel costs under the Travel Expense Act of 1949, as amended, for civilian travel within the continental United States will amount to about \$174 million at present travel rates. Of this amount it is estimated that approximately 50 percent will represent subsistence expenses covered by the per diem rate. This 50-percent figure was derived from estimates submitted by 15 of the major agencies which involve 90 percent of the travel. The estimates per diem part of total travel costs as furnished by the individual agencies ranged from 32 to 70 percent with an average for all agencies of 50 percent.

On the basis of this information and agency estimates, it is believed that the total additional cost of H. R. 4918 will not exceed a maximum of \$30 million a year and its actual cost may be several million under this figure.

The Bureau of the Budget favors enactment of H. R. 4918.

I thank you for your attention and would again like to express my appreciation for the opportunity to appear before you.

The CHAIRMAN. Mr. McCormack.

Mr. BROWN. Would the gentleman yield one moment?

Mr. McCormack. Yes.

Mr. BROWN. Mr. Chairman and members of the committee, I regret very much that I am going to have to leave, because we have a very important committee meeting on rules this morning, and I have tried to divide my time between the two meetings.

However, I would like to state that I favor this measure by Mr. Dawson, H. R. 4918, very much. And I respectfully request the gentleman from North Carolina, Mr. Jonas, to act as my proxy, and to cast a favorable vote for the bill at the proper time, with the consent of the committee.

The CHAIRMAN. Would you like to make any statement?

Mr. BROWN. No; I think it is very clear. I have engaged in study on some other problems along this line, and I think H. R. 4918 is a reasonable solution to the problem which confronts us. I think something has to be done about it, and it certainly doesn't give any of the taxpayer's money away. I don't think anybody in the Government service is going to get rich off of any arrangement of this kind. I think it is a proper approach to the whole problem. And, therefore, I want to cast my vote on it.

The CHAIRMAN. Would you care to state your views as to whether the maximum should be \$13 for all?

Mr. BROWN. No. I think you have some situations, Mr. Chairman, where you must go above the \$13 maximum. Now, as I understand

the present law, if the expense is less than \$13 in certain areas per day, why, then, they can be reimbursed only for that which they have actually expended.

I have had personal experience bearing on this situation. I went on an assignment for our Government into some foreign countries where I was limited, I think, under the law to \$13, or something like that, and the cheapest room I could get in certain hotels cost \$20 in American money. So it did not pay off very well.

I wound up my assignment \$400 or \$500 in the hole. And I am sure that many other persons who have attempted to serve the Government in different capacities have encountered the same situation.

The CHAIRMAN. I wanted your views on that, because the other bill filed by the Congressman sets a maximum of \$15 for all employees, whether regular or not.

Mr. BROWN. I believe you have covered that under section II here, Mr. Chairman. I would favor the content of your measure.

The CHAIRMAN. Thank you.

Mr. BROWN. And now, if I may be excused, I have to leave.

The CHAIRMAN. Thank you for your presence.

Mr. McCORMACK?

Mr. McCORMACK. Mr. Belcher, you have skimmed it pretty close on a \$13 maximum.

Mr. BELCHER. It seemed to me that \$13 was all that we could support on the basis of the figures.

Mr. McCORMACK. Would not the same apply to the \$15 maximum in the other cases? You are referring to men who are on advisory boards and serving in other similar capacities.

Mr. BELCHER. I would say that \$15 for the consultant serving without compensation is not overgenerous. But it seemed to me we had a good deal of precedent for the \$15 in other legislation, and it was a reasonable figure to set at this time.

Mr. McCORMACK. I am not raising the question of it being unreasonable; I was just asking if you hadn't sort of skimmed it rather close.

Mr. BELCHER. We have tried to hold it down to something that we could be sure was justified.

Mr. McCORMACK. You wanted to see the Federal employees and the others who are giving their part time to the Federal Government at least reimbursed for their actual expenses?

Mr. BELCHER. Yes; on the assumption that they are reasonable.

Mr. McCORMACK. I can see where there may be some special situations, but based on my own experience, it would seem to me that you are skimming it awfully close. Would you object to an increase from \$13 to \$15, and the other one to \$17.50?

Mr. BELCHER. Well, I am not prepared to support them. My difficulty is that it seemed to me that figures of that size would be on the generous side. I am not going to argue very strongly about it, because it is difficult to pinpoint this thing down and arrive at exact conclusions.

Mr. McCORMACK. That is true. But I can see where those cases within the maximum—there are three types of cases: There is one clearly less than a maximum, then there are cases that even under this restriction will be above the maximum. And then, there is the twilight zone.

Mr. BELCHER. That is right.

Mr. McCORMACK. Are you changing this \$25 limit for the individual serving without compensation on advisory committees, under title V of the Housing Act of 1949 and the Housing Act of 1954?

Mr. BELCHER. We are not now proposing a change, because that was enacted in specific legislation by the Congress for good and sufficient reasons, and we haven't questioned that.

Mr. McCORMACK. That is all.

The CHAIRMAN. Mr. Kilgore, do you have any questions?

Mr. KILGORE. No questions.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No questions, Mr. Chairman. Thank you.

The CHAIRMAN. Do you have any questions, Mr. Jonas?

Mr. JONAS. I believe not, Mr. Chairman.

The CHAIRMAN. Mr. Belcher, do you not think that the Government employees ought to have the same protection for their expenses as those who serve without compensation, since it is merely a maximum and you can make your regulations to provide circumstances under which they would not receive a maximum?

Mr. BELCHER. Well, it seems to me, in my own thinking, that the case of men serving without compensation may be a little different. They are called in only on special occasions, and their length of service is short.

The CHAIRMAN. Well, they would be protected anyway; you are giving them \$15.

Mr. BELCHER. Yes.

The CHAIRMAN. I am talking about the ordinary Federal employee. Don't you think he ought to be protected for that extra \$2? You don't have to pay it to him anywhere except where the circumstances warrant it. Then what would be the objection to having a flat \$15 per diem?

Mr. BELCHER. It seemed to me that \$13 was an adequate figure, based on such figures as we have been able to accumulate.

The CHAIRMAN. Suppose one of your Federal employees has to spend more than that; have you provided to meet his expenses?

Mr. BELCHER. In those selected cases where in advance of the trip it is evident that the expenses are going to and beyond that, then one provision of your bill would provide that a department head can authorize \$17 or \$20, or whatever you think is appropriate.

The CHAIRMAN. How do you determine in advance of this trip that there is a convention in that town, and that he cannot get accommodations until he gets there?

Mr. BELCHER. I don't know as you always can. In many cases the Government employees are invited because of the convention.

The CHAIRMAN. Don't you think in that event you ought to have the means to protect that Government employee at least \$2 worth?

Mr. BELCHER. Again, I am not going to argue too strongly against \$15, sir.

The CHAIRMAN. It is not that you are going to argue too strongly against it; we are searching here to try to find what is right and fair and just for our Federal employees. And, frankly, I can't see any reason why you should discriminate against them by giving them a maximum of only \$13, and giving another man a maximum of \$15.

When you have the power to determine the circumstances under which he is to get the maximum, then you can't lose.

Mr. BELCHER. I understand.

The CHAIRMAN. But you can protect a Government employee in the performance of his duty. I don't think he should be called upon to spend his own money. And from my experience, Government employees are very loyal to the Government on their assignments, and the Government ought to be as loyal to them. I don't think we ought to penny-pinch with them.

As representing the Bureau of the Budget and the Office of the President, you do not see any good reason why the Government can't protect itself if the maximum for Federal employees was raised from \$13 to \$15?

Mr. BELCHER. I would be quite certain the Government could protect itself by the regulations put out by the Bureau and administered by the agency heads.

The CHAIRMAN. In the event a Federal employee should spend more than the maximum, can he deduct it from his income tax?

Mr. BELCHER. Yes. I am sure they do, those who keep an accurate record of their expenses, just as an employee in a private corporation.

The CHAIRMAN. Then they did make a little provision for him to get it back?

Mr. BELCHER. Yes.

The CHAIRMAN. I feel we should protect him to the extent of that \$2.

Mr. McCORMACK. Does the Bureau of the Budget now prescribe regulations under the existing law?

Mr. BELCHER. Yes.

Mr. McCORMACK. With the exception of the Department of Justice?

Mr. BELCHER. That is correct; under this act.

Mr. McCORMACK. I notice in section II which, of course, relates to those who are contributing their services part time, and under other unusual conditions, that you haven't got that proviso that you have relating to the Federal employees where, due to unusual circumstances of a travel assignment within the limit, and so forth, the maximum of \$15 could be increased.

Mr. BELCHER. No, we have not.

Mr. McCORMACK. Would you have any objections to that also being included in section II, which might give you flexibility that would come in handy sometimes?

Mr. BELCHER. The flexibility might be convenient. But it seems to me the demonstrated requirement, as I was able to see it, is that.

Mr. McCORMACK. We clearly understand your position; you are up here carrying out the instructions of the Bureau of the Budget. But there is no reason why, as the chairman says, within the \$15 limit for the maximum of the Federal employees, those permanently employed, why that could not be handled by regulation and meet the unusual cases where there would be a legitimate expense in excess of \$13, between \$13 and \$15.

Mr. BELCHER. That could be.

Mr. McCORMACK. I can see the differential, not with respect to any class situation, but I can see the economic conditions confronting

these two groups, Government employees and, say, businessmen or professional men called down to advise in some advisory capacity.

It seems to me—just exploring, without committing myself to either proposition that I addressed questions to you about—that section II might be increased to \$17.50, with that additional proviso.

But in any event, you have no objection to the proviso being made a part of section II?

Mr. BELCHER. I am not taking a position on that. Our position has been expressed.

The CHAIRMAN. You do not recommend an increase in the mileage?

Mr. BELCHER. That is correct.

The CHAIRMAN. Do you think that the estimates made at the time that the mileage was set, that now exist \* \* \* do you think it is more expensive to operate an automobile now than then?

Mr. BELCHER. Yes, I am sure that it is more expensive to operate an automobile today than it was then.

The CHAIRMAN. Then why not make some allowance for it? If you were right then, you are wrong now.

Mr. BELCHER. Because, having made the survey of such figures as are available, and finding the almost predominating rate allowed by private business at 7 cents, it seemed to me that we weren't justified in going beyond that point. We assumed that those rates were set on the basis of experience by the companies, and we thought we could very well afford to stand on the 7-cent rate here for that reason.

The CHAIRMAN. Your rate does not include insurance. Does it take into consideration that the Government doesn't have to pay insurance, while the individuals do have to pay insurance?

Mr. BELCHER. Of course, the 7 cents is more than the direct out-of-pocket cost for gas and oil and wear of tires and ordinary maintenance; obviously 7 cents is in excess of that.

Now, the difference between actual out-of-pocket costs and the 7 cents would go to reimburse, to the extent that it does, for depreciation and insurance and license fees.

Now, of course, to spread those on a mileage basis becomes awfully difficult, because you can lock the car in the garage and still have these costs go on. If you drive 10,000 miles a year, the cost is at one rate; if you drive 30,000 miles a year, the cost is at a different rate. The difficulty is to pinpoint the costs per mile for insurance fees and license fees, and so forth.

The CHAIRMAN. Thank you very much, Mr. Belcher. You have been of inestimable service to us.

Mr. BELCHER. Thank you, sir.

The CHAIRMAN. Do your associates wish to make a statement?

Mr. BELCHER. They do not.

The CHAIRMAN. Thank you.

Mr. Philip Young.

#### STATEMENT OF PHILIP YOUNG, CHAIRMAN, CIVIL SERVICE COMMISSION

The CHAIRMAN. Will you identify yourself for the record?

Mr. YOUNG. Mr. Chairman, I am Philip Young, Chairman of the United States Civil Service Commission.

I have a short prepared statement in support of H. R. 4918.

The CHAIRMAN. Proceed.

Mr. YOUNG. Mr. Chairman, I am glad to have this opportunity to give you and the members of this committee the views of the Civil Service Commission on pending legislation to increase per diem allowances for Federal civilian employees.

In his January message to the Congress on Federal personnel management, the President stated that recommendations for an appropriate increase in the per diem rate would soon be submitted to the Congress. These recommendations have been submitted by the administration, and would be carried out by H. R. 4918 which this committee has under consideration.

The present maximum travel per diem allowance of \$9 was set in 1949. Since then, the costs of lodging, meals, and incidental expenses have increased substantially, and the maximum per diem is not adequate in many cases to cover necessary travel expenses. This means that employees must pay part of their official travel expenses from their own pockets or use second-rate accommodations.

As stated by the President in his message, it is not fair to ask Government employees to pay part of their official travel expenses from their personal funds. Further, I believe that employees who are representing their Government on official business should have proper accommodations, comparable to the accommodations used by those with whom they meet and do business.

Per diem rates for salaried employees and for consultants and others working without pay constitute a significant feature of Government personnel practice. The Civil Service Commission believes that adequate provision for payment of employees' official travel and subsistence expenses is an essential step in the continued improvement of the Federal personnel system.

H. R. 4918 would bring about three major changes in present per diem allowances. The specific dollar rates proposed were developed by the Bureau of the Budget on the basis of recent studies of businessmen's traveling expenses made by hotel accounting firms, and price studies made by the Bureau of Labor Statistics.

1. The maximum per diem travel allowance would be increased from \$9 to \$13 for regular civilian employees who travel on official business in the continental United States. The Standardized Government Travel Regulations will continue to emphasize that agencies are responsible for authorizing only that allowance which is justified by the specific travel conditions involved. Agencies are to take care to prevent the fixing of any per diem allowance over the minimum required to meet necessary travel expenses.

2. In addition to the usual travel, employees occasionally are officially requested to travel on special assignments which necessitate personal expenditures well in excess of the maximum per diem rate. This now involves direct out-of-pocket expense to the employee, since there is no authority for the Government to reimburse him for expenses in excess of the maximum per diem rate. The bill would authorize Government reimbursement of employees on an actual expense basis, instead of the per diem basis, in such instances.

This provision would be used in only a limited number of cases, such as attendance at private business conventions, or travel to disaster areas, where unusually high travel and subsistence expenses are un-

avoidable. The bill specifies that this type of travel would be governed by Budget Bureau regulations, and would be performed under conditions set by agency heads. A maximum allowable amount of reimbursement would be stated in the travel order.

3. The maximum per diem rate of \$10 now prescribed for persons serving the Government without compensation while they are away from home or regular place of business, like the travel per diem for salaried employees, is inadequate and should be brought up to date. The bill would increase from \$10 to \$15 the general maximum per diem rate for such personnel when traveling within the continental United States. This would accord with the present practice of granting these individuals a higher maximum per diem than is granted regular employees because they serve without pay and generally for short periods of time. The proposed rate would be consistent with the \$15 maximum rate now authorized under special legislation for members of certain Government advisory committees, and the per diem rate set by the 83d Congress for Federal judges and justices.

No change is proposed in the mileage allowances authorized to be paid Government employees for use of their privately owned motor vehicles while traveling on official business. Recent surveys of private business practice indicate that no increase is warranted. Information obtained by the Budget Bureau shows that the present rate of 7 cents per mile is still the most commonly used flat mileage rate in private industry.

H. R. 4918 would carry out the administration's recommendations for appropriate increases in present per diem rates. The Commission urges its enactment in the interests of further improvement in employment conditions in the Federal civilian career service.

This concludes my brief statement, Mr. Chairman. I will, of course, be pleased to answer any questions which you and the other committee members might wish to ask.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. I don't believe I have any questions to ask Mr. Young.

The CHAIRMAN. Mr. McCormack.

Mr. McCORMACK. Mr. Young, you heard my question of Mr. Belcher about section 2, about putting that proviso in there. What would be your viewpoint on that?

Mr. YOUNG. I am always in favor, Mr. McCormack, of a maximum amount of management flexibility as long as it is comparable with responsibility.

Mr. McCORMACK. Well, we assume that the responsibility would justify that.

Mr. YOUNG. Certainly, sir.

Mr. McCORMACK. So you have no objection to that amendment being put into section 2?

Mr. YOUNG. I would have no objection.

Mr. McCORMACK. What are your views on increasing the maximum from \$13 to \$15, if you have any?

Mr. YOUNG. I would say my reaction is about the same as Mr. Belcher's.

Mr. McCORMACK. You wouldn't approve it, but you would not oppose it?

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Mr. YOUNG. Well, the \$13 rate is what we considered to be a fair estimate based upon the surveys that were made. If the Congress desires to raise it to \$15, certainly I would impose no objection.

Mr. McCORMACK. What about the \$17.50 in the case of advisers and those coming down here part-time, usually without compensation?

Mr. YOUNG. I was greatly impressed with the chairman's comment on that particular point in reply to Mr. Belcher's remarks as to the extent to which there should be a differentiation between the two.

Mr. McCORMACK. That is all.

The CHAIRMAN. Mr. Kilgore?

Mr. KILGORE. I have no questions.

The CHAIRMAN. Mr. Fascell.

Mr. FASCELL. I would just like to point out that in discussing this \$17.50 rate we want to take into consideration the fact that we have got special legislation for \$15 at other places.

The CHAIRMAN. Your contention is that we would be raising it above the limit set by other legislation in certain cases?

Mr. FASCELL. In other words, it might be wise to consider a \$15 maximum, because you have got special legislation now providing for \$15, whereas if you take these two provisions in the bill and set one at \$15 and the other at \$17.50 you would have further discrimination.

The CHAIRMAN. I was wondering about the circumstances under which by special legislation we made it \$25 in the housing situation, but not knowing all the facts surrounding it I will keep quiet.

Any other questions to be asked of Mr. Young?

Thank you so much.

Mr. YOUNG. Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. John Martiny.

**STATEMENT OF JOHN H. MARTINY, LEGISLATIVE ATTORNEY,  
GENERAL ACCOUNTING OFFICE; ACCOMPANIED BY HENRY  
BARCLAY AND THOMAS DOWNES, ATTORNEYS, OFFICE OF THE  
GENERAL COUNSEL**

The CHAIRMAN. Will you identify yourself for the record, and also identify the gentlemen with you.

Mr. MARTINY. Mr. Chairman, I am John H. Martiny, legislative attorney, Office of the Comptroller General. I have with me Mr. Henry Barclay and Mr. Thomas Downes, attorneys in the Office of the General Counsel.

Mr. Chairman and members of the committee, the General Accounting Office appreciates the invitation of this subcommittee to appear before you and present our views and furnish any information we may have on H. R. 3950, H. R. 4169, and H. R. 4918.

H. R. 3950 and H. R. 4169 have identical provisions. Each bill would amend sections 3 and 4 of the Travel Expense Act of 1949 (1) to increase the maximum rate payable to Government employees for per diem allowance from \$9 to \$15 and (2) to increase the maximum mileage rates for the use of privately owned motorcycles and automobiles from 4 and 7 cents per mile to 6 and 12 cents respectively.

Section 1 of H. R. 4918 would increase the maximum per diem allowance to \$13 but does not propose any increase in the mileage rates.



The information available to the General Accounting Office, based solely upon the experience of our own employees, furnishes us ample basis for recommending that the maximum per diem rate be increased to at least \$12 but does not furnish any basis for favoring the \$15 rate. Also, we have no information to support any recommendation relative to an increase in the mileage rates. Accordingly, we will address our comments to H. R. 4918.

The first part of section 1 of H. R. 4918 would amend section 3 of the Travel Expense Act of 1949, to increase the maximum per diem rate to \$13.

We asked some of our employees who frequently perform travel for information as to actual daily expenses incurred. Six investigators from the Washington office reported an average daily cost of approximately \$13.75 while in a travel status in the larger cities, such as New York, San Francisco, Chicago, Denver and Cleveland. These costs included hotel, meals, valet service and nominal tips. In return the employees received an allowance of \$9 per day.

In a recent trip to Indianapolis, by our Chief, Budget and Finance Branch his average cost per day for a 3-day stay was \$13.25. The hotel room alone was \$8.50, leaving only 50 cents of the maximum \$9 rate for meals, tips, and other items.

A member of our Accounting Systems Division reports that on a recent trip to Philadelphia, the hotel room was \$7 for his share of a double room, meals averaged \$4 a day and miscellaneous expenses \$2.50, making a total of \$13.50 for which was paid an allowance of \$9.

Six employees of our Division of Audits report an average daily cost of \$13 or more.

Accordingly, it is our recommendation that the maximum rate be established at either \$12 or \$13 whichever the overall facts presented to this subcommittee may warrant.

Mr. McCORMACK. On your own testimony there should be at least the minimum of \$13.

Mr. MARTINY. Most of these actual expenses will support that. But I have in mind that the particular employee that is traveling here is generally of the top level of employees.

Mr. McCORMACK. Of course, if they need a lesser amount that is already provided for and that can be taken care of. But when you are talking about these men, you are talking about those that are going over the maximum, aren't you?

Mr. MARTINY. In some instances, yes.

Mr. McCORMACK. In all these instances you give us it is yes, isn't it?

Mr. MARTINY. All except the auditors, that is true.

Mr. McCORMACK. It seemed to me that you made a maximum of of at least \$13, and you are hitting close to \$15. But go ahead.

Mr. MARTINY. The purpose of H. R. 4918 is to permit the heads of departments and agencies, who authorizes the performance of official travel, to allow, in justifiable cases, payment of per diem up to \$13 per day in lieu of the present maximum rate of \$9. It is expected that a maximum of \$13 will be allowed only when departments and agencies are fully satisfied that such allowance is actually needed to cover expenses of Government employees performing travel on official business away from their designated posts of duty. The maximum amount authorized by this bill is not mandatory but is intended to provide a flexible method of reimbursing Government

employees for out-of-pocket expenses incurred when they are required to travel in high-cost areas.

This policy is recognized in paragraph 45 of the Standardized Government Travel Regulations which places the responsibility on each agency for authorizing only such per diem allowances as are justified to meet the necessary authorized expenses for each trip.

The policy of the General Accounting Office is set forth in an order of the Comptroller General as follows:

I expect each employee of the General Accounting Office who authorizes or directs travel; who performs travel; or who reviews, certifies, or otherwise authorizes payments in reimbursement of travel expenses, to exercise due care and practice economy in all matters involving travel costs. However, consistent with such care and economy, it is my direction that no officer or employee of the General Accounting Office be put to personal expense because of his performance of properly authorized travel, if it can be avoided under existing laws, regulations, and a general program for administering per diem allowances in lieu of actual travel expenses.

Mr. FASCELL. May I interrupt you at that point? Will you explain to me how you propose to follow out that particular statement if the expense incurred by an employee is more than the maximum provided by law?

Mr. MARTINY. The only alternative under the legislation that is proposed, if the actual expense is more than the maximum per diem, would be to bring the employee under the proviso which is proposed in H. R. 4918, and where there would be unusual and extraordinary circumstances, then we hope to be able to be authorized to reimburse this employee for the expenses that he actually incurred in excess of that maximum.

Mr. FASCELL. But isn't that based on the presupposition that an employee would never exceed the maximum except in unusual circumstances?

Mr. MARTINY. That is true. The policy that we were required to adopt by the Comptroller General was to recommend either a \$12 or \$13 rate. While all of the statements we got from our employees are merely statements of their actual expenses, those statements do show that the average would be between \$12 and \$13, or maybe even \$14, and we felt that in furtherance of trying to economize or hold it to a reasonable level that we should recommend either a \$12 or a \$13 rate.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. No questions.

Mr. McCORMACK. You wouldn't object to \$15 would you?

Mr. MARTINY. I am not authorized to recommend \$15, and I do not know whether the Comptroller would object to \$15.

Mr. McCORMACK. But will you answer from your own personal opinion? We are getting too much of this controlled thought. I would like to get a little independence.

Mr. MARTINY. I would not recommend a \$15 rate.

Mr. McCORMACK. Personally?

Mr. MARTINY. No, I don't think it is justified by the evidence I have seen before me.

Mr. McCORMACK. With the authority by regulation to control it within that?

Mr. MARTINY. That is one of the reasons we will not recommend the \$15 rate, because I believe that the majority or the highest per-

centage of those who travel intermittently will be authorized the maximum rate whether it is \$15, \$20, or \$13.

Mr. FASCELL. You lost me there. In other words, the regulation doesn't mean anything.

Mr. MARTINY. I believe the regulation means something ---

Mr. FASCELL. But nobody is going to follow it.

Mr. MARTINY. We have such a regulation, and we follow it in the General Accounting Office. But we do find that a large percentage of them will authorize the maximum automatically.

The CHAIRMAN. Mr. Jonas.

Mr. JONAS. I was going to ask the witness to refresh my memory. My recollection is that in the illustrations you used, to get above \$13 you had \$2.75 allotted to miscellaneous expenses. Am I correct in that or not?

Mr. MARTINY. That is right in one of the cases.

Mr. JONAS. That seems a little high for incidentals to me.

Mr. McCORMACK. That is one member, a member of the Accounting Systems Division.

Mr. JONAS. I am just quoting it from memory.

Mr. MARTINY. That would cover your valet service, your tips.

Mr. JONAS. May I interrupt right there. Is that a proper charge against the Government, valet service? If he was at home he would have to have his pants pressed and pay for it himself.

Mr. MARTINY. Any unusual expense---this \$9 per diem rate is intended for cover any expense that the man might incur as a result of his official travel. And if you will allow me, I would like to read for you the definition of the per diem allowance. This is from paragraph 44 of the Standardized Government Travel Regulations:

The per diem in lieu of subsistence expenses will be held to include all charges for meals, lodgings, personal use of room during daytime, baths, all fees and tips to waiters, porters, baggage men, bell boys, hotel maids, dining room stewards and others on vessels, and hotel servants in foreign countries, telegrams and telephone calls reserving hotel accommodations, laundry, cleaning and pressing of clothing, fans and fires in rooms; transportation between places of lodgings or where meals are taken and places of duty.

In other words, it covers practically everything that the man would have to incur because he was away from his home.

Mr. FASCELL. Except for one very important item, good cigars.

Mr. MARTINY. I believe it would not cover that.

The CHAIRMAN. I would like to say this, that a man who travels will have to put his clothing in the suitcase, and he would have to have them pressed when he got to his destination in order to represent our Government properly. Valet service is a necessity.

Mr. FASCELL. May I inquire a little bit further on this point. In other words, as I understand your feeling on this matter, you think the maximum should not be increased beyond the amount recommended, because although the regulations of the agency would allow only those actual costs that may be necessary, as a matter of fact they would allow automatically the full amount.

Mr. MARTINY. In some cases, yes. I wouldn't like to criticize the agencies.

Mr. FASCELL. I am not interpreting it that way, that you are criticizing them. You are expressing a fear that the program would

become costly if you lifted the maximum to take care of actual expenses.

Mr. MARTINY. Not to take care of actual expenses, but we believe that the average actual expenses will be taken care of for the average traveler by the \$13 rate. And if there are unusual expenses that would be in excess of the \$13 rate, then it is contemplated that the traveler would be granted the right to be reimbursed under the proviso that is proposed in this bill.

So we believe that the two provisions taken together will adequately cover the situation as it exists today. We can't of course foresee what it would be in the future.

Mr. FASCELL. Does the regulation describe the type of accommodation that an employee in traveling would be entitled to obtain?

Mr. MARTINY. It does not.

Mr. FASCELL. Is it your opinion that if you raised the maximum the employee that is now spending on the average \$7 or \$8 for hotel rooms would start getting better accommodations, or that he might?

Mr. MARTINY. Surely they would, because the present maximum of \$9 makes an employee very cautious, he doesn't like to put the difference up out of his own pocket, which he would have to do. So I suspect that if the maximum is raised from \$9 to \$12 or \$13 or \$15, if the committee so desires, that the individual traveler probably will choose a better accommodation.

Mr. FASCELL. Do you think that is wrong?

Mr. MARTINY. No, I do not.

Mr. JONAS. Apropos of the comment made just now, Mr. Chairman, isn't this true? The head of an agency can't determine in every instance what it is going to cost an employee to go to Indianapolis for 3 days and make any distinction between what it will cost for another employee to go to St. Louis. It seems to me that what we need to do is to try to arrive at what would be an average for a fair maximum. And we have the testimony of this witness who, for example, has three different illustrations—they are all different. Now, if I were the head of that agency and I had 3 different groups going out and coming back with 3 different amounts, wouldn't it be natural to put down the maximum on travel orders? I don't see how the head of the agency could authorize less than a maximum.

Mr. FASCELL. Are you asking it?

Mr. JONAS. No, I am discussing it.

Mr. FASCELL. I think a frank answer would be how close anybody is breathing on his neck with respect to the accountability of funds.

The CHAIRMAN. They are doing that now, Mr. Jonas, that very thing. Some of them do not allow the maximum.

Mr. JONAS. On casual trips?

The CHAIRMAN. That is right. Many of the agencies set a figure less than the maximum.

Isn't that right?

Mr. MARTINY. That is true. I do not know whether it would be on casual trips or not. I will later point out that our regulations prohibit the maximum being used for a continuous period in excess of 60 days. We also have additional regulations, for example, where a man goes to an Indian reservation for an audit where he won't incur all of these additional expenses that would bring it up to the

\$9 maximum, then possibly he will be authorized only a \$4 rate or an \$8 rate, depending on where he goes, whether meals are furnished, and various other circumstances, whether they would justify the maximum rate or whether it is \$9 or \$13 or \$15.

Mr. McCORMACK. It costs money to determine what that is going to cost, too, doesn't it?

Mr. MARTINY. I don't believe so, because your regulations are not very extensive, and the standards are very general.

General Accounting Office officials authorized to direct travel are charged with the responsibility of authorizing rates commensurate with the circumstances involved. The maximum per diem may be authorized for our employees only when it is necessary to cover the proper personal expense of the traveler, which under existing conditions is most of the time, particularly on short trips. However, the maximum rate may not be authorized in excess of 60 days during a 180-day period unless approved in writing by the administrative officer. Also, no per diem may be paid in excess of 180 days for duty at any one temporary post of duty, except as specifically authorized or approved by the Comptroller General.

We believe that these regulations of the Comptroller General afford ample control for the assurance that we will use the proposed \$12 or \$13 maximum rate only when commensurate with the existing circumstances.

The increased cost to the General Accounting Office for the fiscal year 1956 based on a maximum per diem allowance of \$12 would be approximately \$300,000, representing a 23.33 percent increase over proposed estimate of \$910,000 and for a maximum rate of \$13, the increase would be a little over \$400,000, representing a 31.11 percent increase over such estimate.

The first section also contains a proviso to take care of a limited number of situations where employees are required to travel on assignments which necessitate personal expenditures well in excess of the maximum rate. The proviso would authorize reimbursement on an actual expense basis not to exceed a maximum amount to be specified in the travel authorization.

We believe that a maximum should be specified in the bill if reimbursement on an actual expense basis is to be authorized. However, we recommend that the actual expense basis be discarded and that there be authorized a special per diem allowance not to exceed a rate which should be specified in the legislation. This would obviate the necessity for the traveler supporting each item of expenditure by receipts or otherwise, as generally is required when reimbursed on an actual expense basis. Language to accomplish this purpose has been submitted to the committee and a copy is attached for your information.

Mr. McCORMACK. Have you cleared that with the Bureau of the Budget?

Mr. MARTINY. We have not. It is not the practice of the General Accounting Office to clear legislation with the Bureau of the Budget.

Mr. McCORMACK. I just asked as a matter of curiosity.

Mr. FASCELL. You say there is a provision where the maximum provided in ordinary cases may be exceeded?

Mr. MARTINY. That is right.

Mr. FASCELL. And by substituting this language and provision for a higher maximum rather than putting it on an expense basis, this would be the way to handle it?

Mr. MARTINY. It is.

Mr. FASCELL. I am not clear on that.

Mr. MARTINY. If you will hold your question I will analyze the differences in the two bills.

Mr. FASCELL. Surely.

Mr. MARTINY. It differs substantially from the language of the bill. Under the bill—Mr. Chairman, possibly if I read the language at this point it would help. We suggest the following change in language for the proviso in section 1:

*And provided further,* That where because of the unusual circumstances of a traveler assigned within the limits of the continental United States such maximum per diem allowance would be much less than the anticipated subsistence expenses of the trip the department or establishment concerned may, in accordance with regulations promulgated by the Director, Bureau of the Budget, prescribe a special per diem allowance not to exceed \$—

and we leave the amount blank for whatever the committee would feel is justified.

Mr. McCORMACK. What do you think would be justified?

Mr. MARTINY. Personally I think a \$20 or \$25 rate would be justified. That is my personal view. This language differs substantially from the language of the bill. Under the bill the head of an agency may authorize this expense.

However, under existing law, the head of an agency is authorized to delegate to any officer or employee of his agency any of his functions as he deems appropriate. The proposed language uses the words "department or establishment" so that no one will be misled into believing that the head of an agency personally will authorize this expense. However, we believe that the authority to incur this extraordinary expense should be retained on a high organizational level of each agency and that the regulations to be issued should preclude any redelegation by the official authorized by the head of the agency to authorize this expense.

Also the language of the bill establishes this benefit "on an actual expense basis" which "may be authorized in advance." The proposed change uses a special per diem allowance basis and would permit approval of such an expense after the trip where travel is performed in an emergency. This is consistent with the provisions of paragraph 5 of the Standardized Government Travel Regulations.

Does that answer your question, Congressman, on the difference between the two provisos? Possibly I should elaborate on it.

Mr. FASCELL. Only one other thing. You say this without the necessity of supporting each item of expenditure by receipt. How would you control it, just determine it arbitrarily in advance and set a limit on it?

Mr. MARTINY. That is right.

Mr. FASCELL. And that responsibility would be up to the department.

Mr. MARTINY. That is true. If you don't have the per diem allowance, that means that the man has got to submit his hotel bill——

Mr. FASCELL. You do it on an actual cash basis?

Mr. JONAS. Couldn't you get around that or obviate that trouble by permitting him to make a certificate—or not a certificate, just turn in a voucher without supporting documentary proof?

Mr. MARTINY. The only time the Comptroller General has permitted the reimbursement for expenses on the basis of a certificate without supporting evidence is when it has been authorized by law.

Mr. JONAS. I am talking about authorizing it by law.

Mr. MARTINY. I believe the Comptroller General would recommend against that. It is provided that the judges may be reimbursed on the basis of their certificate. We didn't object to that, of course.

Mr. JONAS. Don't you think you might save money by following that suggestion rather than to authorize a blanket per diem of \$20?

Mr. MARTINY. No, congressman, we do not, because it has been our experience in the General Accounting Office that we can't rely too much on certificates unless they come from individuals in a very high level of Government. I will give you one illustration. The military personnel officers were permitted to be paid their dependency allowance in certain cases on their certificate. We found tremendous numbers of those certificates not supported by the evidence. It's the policy of the General Accounting Office or of the Comptroller General not to favor any expenditures solely on the basis of a certificate of the regular Government employees. So we would, I am sure, object to that.

Mr. JONAS. What about incorporating the two, a certificate, and provide that it not exceed the maximum?

Mr. MARTINY. That would be substantially the same as per diem.

Mr. JONAS. I mean, a man who spends less than \$25 would turn in a certificate that he spent \$18, you save \$7 a day.

Mr. MARTINY. I believe that is substantially the way a per diem allowance would operate. It would be up to the head of the department, of course, either to authorize that per diem in advance or to approve it after the travel, in case there was a travel emergency. So substantially you have the same thing in the proposal.

Mr. JONAS. That is all.

Mr. FASCELL. Would you also have an administrative problem under that suggestion? If you followed this thing and put the responsibility in the department head you could go to your source immediately and determine whether or not it is reasonable or unreasonable or whether it is arbitrary or discriminatory or otherwise, whereas if you did it on a certificate basis you would have to investigate each and every certificate.

Mr. MARTINY. There would be cases, yes; if you wanted to determine whether the practice was being abused, then you would have to investigate each certificate.

Mr. FASCELL. Whereas under your proposal all you would have to do is interrogate the head of the department?

Mr. MARTINY. That is right.

The CHAIRMAN. Proceed with your statement.

Mr. MARTINY. Section 2 of the bill would increase the existing \$10 maximum per diem to \$15 for persons serving without compensation.

Section 3, proposing to amend 28 United States Code, 1823 (a), would bring the travel rates for employees when traveling as witnesses

on behalf of the United States under the Travel Expense Act. This would obviate the necessity for separate amendatory legislation at this time or at such future date as the per diem rates under the Travel Expense Act are modified.

We are convinced that an increase in the maximum per diem rate from \$9 to \$12 or \$13 is justified.

Accordingly, we recommend that this subcommittee consider the changes suggested for the proviso to section 1 and that favorable consideration be given to H. R. 4918.

Mr. Chairman, we are very pleased to present this statement, and I will try to answer any questions you may have.

The CHAIRMAN. Mr. McCORMACK, do you have any questions?

Mr. McCORMACK. No.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No further questions.

The CHAIRMAN. Mr. Jonas, any further questions?

Mr. JONAS. No questions.

The CHAIRMAN. Mr. Martiny, is anyone else who accompanies you prepared to make a statement?

Mr. MARTINY. No, sir.

The CHAIRMAN. Thank you very much.

I believe the next witness is Mr. George Miller.

**STATEMENT OF GEORGE M. MILLER, LEGAL ADVISER TO THE  
ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL, DEPART-  
MENT OF JUSTICE; ACCOMPANIED BY EUGENE J. MATCHETT,  
CHIEF, ACCOUNTS BRANCH**

Mr. MILLER. Mr. Chairman, to identify myself for the record, I am George M. Miller, Legal Adviser to the Administrative Assistant Attorney General of the Department of Justice. I am accompanied by Mr. E. J. Matchett, the Chief of our Accounts Branch in the Department.

I have submitted a prepared statement, Mr. Chairman. And with your permission I will read it, and also with your permission I will interpolate remarks on occasion.

The CHAIRMAN. Proceed in that manner, then, Mr. Miller.

Mr. MILLER. The first two bills are identical and would substitute specified higher rates for existing per diems in lieu of subsistence and also increased rates for use of personally owned automobiles and motorcycles.

Since a serious study was made only of H. R. 4918, our remarks will be confined to the terms of that bill, the first section of which proposes to increase the maximum authorized commuted allowance in lieu of subsistence to \$13 from the present \$9, with provision for reimbursement of actual expenses in unusual circumstances, under regulations of the Bureau of the Budget.

It has long been recognized that there is a need for an increase in the subsistence rate. General price increases in food, lodging and miscellaneous travel expenses covered by the governmental term "subsistence" have made it necessary for employees to bear the difference between actual cost and the amount paid on their expense accounts. It is unnecessary to recite instances of inadequacy of the



present \$9 maximum as personal experiences bear out the need for an increase, as do the studies by the Bureau of the Budget. Sufficient to say that our travelers complain that lodging alone takes the major part of the present allowance, and in some cases all of or more than the \$9.

When the Travel Expense Act of 1949 became law, the Attorney General prescribed a sliding scale of rates as the standard within which bureau regulations might be framed, \$9 for the first 14 days in a travel status at any one place, \$8 for the next 30 days, and \$7 thereafter. This was designed to conserve funds as well as to serve as an incentive toward procurement of economical lodgings for longer sojourns in temporary duty stations.

Mr. McCORMACK. Which Attorney General issued those regulations?

Mr. MILLER. The Attorney General in office at the time in 1946.

Mr. McCORMACK. \$9, \$8, and \$7?

Mr. MILLER. Yes, sir—I beg your pardon, 1949.

Today the \$7 rate is seldom used and there has been pressure to establish one flat rate of \$9 per day. Action to that end has been deferred pending the outcome of present congressional attention to the subsistence question.

The actual expense feature of section 1 of the bill is both worthy and timely. Situations develop where a generally applicable standard rate is inadequate; for instance, a United States attorney attending at a term of court away from his headquarters may have to take quarters at the only hotel in town at rates in excess of the per diem allowed, perhaps occupying rooms adjoining the judge's, who receives \$15 per diem; agents or inspectors on a surveillance assignment may have to take expensive adjoining rooms in hotels to keep some individual under observation. Circumstances of the trip or the character of the assignment might call for unusual expenses not normally included in the regular rate. It is anticipated that this provision for actual expenses will relieve many situations where previously the employee had to make up the difference.

Departing from the written statement there, Mr. Chairman, the Department of Justice observation on this bill to the Bureau of the Budget suggested that it might be desirable to provide for the subsequent approval of actual expenses after a trip, because in our situation one cannot always anticipate in advance and include in travel orders the authority that the bill contemplates shall be included in the orders so as to obtain this actual expense reimbursement.

The one example that I have given here of an agent being required to follow a man around the country is self-explanatory. It would be a farce to require every agent's order to include the actual expense authorization in advance.

On the other hand it would be unjust to that agent if he found himself in a situation where he had to incur those expenses without that advance authority, to bear those extra expenses himself. We feel that under proper administrative control, first by regulations of the Bureau of the Budget and then Department regulations, such actual expenses could be authorized or approved. Those terms signify authorized in advance or approved after the fact.

The CHAIRMAN. Mr. Fascell.

Mr. FASCELL. Do I understand now from your testimony that under the present law and regulations that you have agents on cases where they are actually paying the difference between what is authorized and what they spend?

Mr. MILLER. That is common experience, Mr. Congressman. Today, of course, it is \$9.

Mr. FASCELL. And if a man spends \$20 a day for surveillance for extraordinary expenses he makes up the \$11?

Mr. MILLER. He cannot get it under the regulations of the Government, he must make it up; yes, sir.

Mr. FASCELL. Is he reimbursed indirectly in some other fashion?

Mr. MILLER. I don't know of any such instance.

Mr. FASCELL. Have we got any agents left?

Mr. MILLER. We do have; yes. The agents and the Government travelers under those circumstances take it as a part of their employment.

Mr. FASCELL. In other words, they reduce their actual salary by the amount of the excesses over the per diem that they have to pay?

Mr. MILLER. It amounts to that; yes, sir.

The CHAIRMAN. Mr. Miller, was the statement you made a moment ago in connection with the desirability of approval of expenses after travel has been performed directed toward a suggested change to section 1 of the bill?

Mr. MILLER. To section 1 of the bill.

The CHAIRMAN. Over in page 2, line 7, the language "in advance" appears, and you are suggesting "in advance and subsequent to the performance of the travel," or some such language?

Mr. MILLER. Mr. Chairman, it is suggested that language be used which would accomplish that result. May I offer as suggested language that lines 6 and 7 read: "conditions under which reimbursement for such expenses may be authorized or approved in the performance of a trip on"—which is the end of the line.

Mr. JONAS. You would just take out "in advance"?

Mr. MILLER. I would take out "in advance" and substitute "and approved," with other small changes.

The CHAIRMAN. Thank you.

Mr. JONAS. When you speak of an investigative agent are you referring to the Federal Bureau of Investigation agents?

Mr. MILLER. I had those specifically in mind. There are also instances in which employees in various capacities in the Immigration Service may have occasion to conduct what amounts to an investigation, a surveillance of suspects of violation of the immigration laws.

Mr. McCORMACK. And narcotics would be another case?

Mr. MILLER. That is true. I was confining my remarks specifically to Justice.

Resuming my statement, Mr. Chairman, section 2 of the bill likewise will alleviate a present problem when nongovernment executives and others are called to Washington for conference and will tend to relieve the surprise and discomfiture bordering on resentment which often followed the allowance of the previous sum of \$10.

Section 3 of the bill will permit the Attorney General to prescribe rates for Government employee witnesses to take effect simultaneously with any change in travel allowances for Government personnel generally, thus obviating the need for hurried action on legislation to

avoid the confusion and adjustments of accounts that occurred in 1949. Congress had passed the Travel Expense Act increasing the rates for official travel on ordinary business, but it was not until months later that equal travel allowances could be paid to the same employees for court attendance.

This section will automatically authorize an adjustment which can be put into effect immediately without the need of action by Congress. The section neither adds to nor subtracts from the present authority of the Attorney General to prescribe rates, but does facilitate such action and makes it possible to avoid the experience of 6 years ago.

Mr. Chairman, that concludes my prepared remarks. I thank the committee for the opportunity of appearing here. And I will be glad to answer such questions as may be asked, if I have the information.

The CHAIRMAN. Mr. McCormack, have you any questions?

Mr. McCORMACK. No questions.

The CHAIRMAN. Mr. Jonas?

Mr. JONAS. No.

The CHAIRMAN. Mr. Fascell?

Mr. FASCELL. No.

The CHAIRMAN. Counsel?

Mr. PINCUS. I have one question, if I may.

Mr. Miller, you stated in your prepared statement that "since a serious study was made only of H. R. 4918." That statement rather puzzles me, in view of the fact that there were three bills under consideration.

Mr. MILLER. Mr. Chairman, I will elaborate on that.

We in the Department of Justice have a legislative unit which refers to us, when committees request Justice comment on bills, the various bills that they think our staff is qualified to comment on. 3950, and the other one, 4169, I believe it is, came to us simultaneously after H. R. 4918.

It was our understanding that our comments were desired primarily on 4918, and we commented in full on that bill. Having commented on that, we contented ourselves with a statement to that effect when we returned the single report we made on H. R. 3950. And we did not go into details on the terms of H. R. 3950.

Mr. McCORMACK. What was the source of your understanding that you were to comment only on one bill?

Mr. MILLER. We understood, of course, that it was the bill the administration favored, and that the Department as a department more than likely would not comment on the other one unless requested by the Bureau of the Budget.

Mr. McCORMACK. In other words, the understanding emanated—the source of the so-called understanding that the Department sponsored them was the Bureau of the Budget?

Mr. MILLER. I presume so.

Mr. McCORMACK. Don't you have your own independent comment to make? Have you any independent comment to make as to what represents the Department's views?

Mr. MILLER. I have personal views, sir. We have a situation in the Department of Justice which I am glad to comment on.

I am not prepared to discuss what the Bureau of the Budget representative presented to you, as to the costs—not costs, but the payments made—in private industry to employees for the use of their

own automobiles. We, of course, pay the 7 cents per mile rate to our employees. This rate may or may not be fair, depending on what the factors are when you arrive at the allowance made. I do not know whether in the Bureau of the Budget study or the studies made by those organizations on which it relies there was taken into account the capital investment of the employee in that automobile.

On an operating and maintenance basis the average individual can get along on 7 cents a mile if you take into account only the gasoline and the oil and the repair charges. But if you take into account the capital investment—which some people may call depreciation—by the Government's own figures you can't make ends meet. The average Government maintenance and operation figure by the General Services Administration publication is 4.15 cents per mile. Then you must bear in mind that that figure is arrived at by not taking into account certain expenses of the average individual which the Government does not bear.

For instance, the Government does not pay the sales tax on gasoline that is put into the tank. Nor does it usually pay the full going rate for mechanical services, the labor charges. It does not pay the full parts rate. I used to supervise a contract unit, and I examined the costs on the contracts for repairs of cars. And I observed that frequently on competitive bidding the parts prices were from 20 to 40 percent off list. I don't know whether that practice still prevails in competitive bidding for the repair and the maintenance of government automobiles, but if so, there is a decided price advantage that the government enjoys and which is not reflected in its cost figures of 4.15 per mile.

The labor charges usually are cheaper on a competitive contract than they are to you and me if we had our automobiles repaired privately.

So that by and large 4.15 cents for maintenance for a government car is considerably less than you and I would pay on our own cars.

The next point I wanted to bring out is that for expenses of the car itself, which enter into the problem, if you assume an actual cost of \$2,700 for an automobile—and that today is not excessive—and if you assume a life expectancy of that automobile of 60,000 miles, you have an investment on a mileage basis there of 4½ cents a mile added to the maintenance charges, which we previously accepted at the Government figure, 4.15—and those figures, I submit, are not quite sufficient. You have 8.65 cents per mile already, and you still have a long ways to go for private expenses. You have your insurance, you have your overhead such as storage expenses if you garage your car, you have taxes, personal property taxes, you have your license tag expenses, whatever they may be in your various localities. And by and large, Mr. Congressman—I have made a little study of this on my own, for my own satisfaction, in connection with certain other nongovernment projects. And it seems to me that the very minimum a person can operate his car on, taking the factors into account that I have mentioned, is in the neighborhood of 10½ cents a mile. That is my approach to it.

Mr. JONAS. Before you leave that, Mr. Chairman, may I ask a question?

The CHAIRMAN. You may.

Mr. JONAS. Aren't you assuming that an individual uses this automobile exclusively in the Government service? Are you making any accounting for his private use of it not in a travel status?

Mr. MILLER. Mr. Jonas, I was just coming to that. I was talking as if the individual did use the car exclusively for Government.

Mr. McCORMACK. There are a lot who do, aren't there?

Mr. MILLER. Yes, there are.

Mr. JONAS. Considering the fact that the Government owns about 275,000 automobiles, it doesn't look like we ought to have too many people running their own cars in the Government service on a permanent basis, Mr. McCormack.

Mr. MILLER. On that, if you will let me state it in my own way, sir, I think I will bring it out.

The Congress has provided for automobiles for the use of the Federal Bureau of Investigation. It has provided for similar ones for the Immigration and Naturalization Service, and, to some extent, for the Bureau of Prisons. But there is one area in the Department of Justice where no provision whatever has been made for official automobiles. And it was in that connection, incidentally, that I made my little private study of the cost of automobiles.

That area is the service of the United States marshal. Congress has never seen fit to give marshals official cars. Marshals must travel all over the country in the service of processes—not on traveled highways, necessarily, but up into the back country, or anywhere, to locate the man or the individual they are trying to serve, or to make arrests, if you please.

The United States marshal and his deputy must finance an automobile in order to effectively carry on their work. And in that connection, many, many of them buy an automobile for Government use almost exclusively and wear it out for that purpose. In that situation there is an exception, it seems to me, to the usual approach that you should pay only the actual expenses of operation, or just a little tiny bit more. A little tiny bit more wouldn't buy that man an automobile and keep it in operating condition whereby he can perform his work—and incidentally, save the Government a lot of money.

If that statement seems a little bit fantastic to you, may I make this remark. A deputy marshal is in addition to being a process-serving officer, a man utilized by the Attorney General to commit prisoners to institutions. Of course, that is in a way a service of a process, a writ of commitment, of course. But here is what happens. The marshal or the deputy with a guard will travel the necessary distance to transport 1, 2, 3, sometimes 4 persons in an automobile to an institution, for which he receives reimbursement at 7 cents a mile.

The CHAIRMAN. Per person, or himself?

Mr. MILLER. For one trip.

Now, if you were traveling by commercial carrier——

Mr. JONAS. Doesn't he elect to do that? He isn't ordered to do that; is he? Doesn't he have the election of using a public utility?

Mr. MILLER. He has that election, Mr. Congressman. But if he did elect that, he would find himself so far in arrears by the end of the month that he would never get his work done.

There isn't a sufficient number of deputies to take care of a thing like that by using the slow means of common carrier.

The CHAIRMAN. May I ask a question there? You estimated that the life of an automobile was, say, 60,000 miles?

Mr. MILLER. Yes.

The CHAIRMAN. And you also estimated the expenses during its lifetime. Those would apply whether he used the automobile personally or whether he used it in the performance of his duty, wouldn't they?

Mr. MILLER. Yes, they would.

The CHAIRMAN. So if you estimate on a mileage basis the figures would be no different than they would be for an ordinary trip?

Mr. MILLER. That is true. But I tried to point out—

The CHAIRMAN. If you use it exclusively, I mean.

Mr. MILLER. Yes, sir. I tried to point out that in some instances employees use their cars occasionally when, perhaps, there might not be any complaint—

The CHAIRMAN. All right, let's look for a moment at this situation where you have based your figures on a 60,000-mile lifetime. Now, what does it matter whether he used it in the service or whether he used it to carry prisoners in that 60,000 miles?

Mr. MILLER. It doesn't really matter from an equitable standpoint.

The CHAIRMAN. That is what I mean, from an equitable standpoint.

Mr. MILLER. There is no question about it.

The CHAIRMAN. Or whether he used it exclusively or intermittently, if you make the basis of your test 60,000 miles, it doesn't matter as long as he completes the 60,000 miles.

Mr. MILLER. It does not.

Mr. JONAS. It matters, Mr. Chairman, to this extent, that if he uses his car 50 percent of the time for his personal family use the Government ought not to be responsible for that.

The CHAIRMAN. No; the Government isn't responsible.

Mr. JONAS. Therefore, the life expectancy in that event is only 30,000.

The CHAIRMAN. Maybe you and I approach it from different angles, for this reason. The life of this car is 60,000 miles. I use 30,000 of it for myself. I use 30,000 for the Government. But the cost is the same for the 60,000 miles, it doesn't matter how I use it, it will still cost me so much a mile when I use my 30,000. And it doesn't cost the Government any more when I use up my other 30,000 in the Government service, if I make 60,000 miles the basis of my calculation.

Mr. JONAS. I think if you use 60,000 miles you take that from General Services' estimate on the usual and normal life of an automobile.

The CHAIRMAN. That is right. So it won't matter whether you use part of it for your own private use or part of it for the Government, the cost to you is going to be the same for that 60,000 miles.

Mr. JONAS. It makes this difference, it seems to me. He considers the full cost of the automobile as having been absorbed in the 60,000 miles, and only half of it was absorbed in working for the Government.

The CHAIRMAN. And the Government is benefited by my having the car available to help them when they need it.

Mr. MILLER. Mr. Chairman, on that point I would say that as to using the full cost for Government service, I wouldn't follow that approach, I would use one-half of the cost of the automobile for half the use.

The CHAIRMAN. I see. What would be the difference in dollars and cents?

Mr. MILLER. In dollars and cents—rather, on a mileage basis there would be no difference.

Mr. JONAS. But you divide the 2,700 into 60,000?

Mr. MILLER. Yes.

Mr. JONAS. To keep it correct, you ought to divide it into 30,000.

Mr. MILLER. I would divide \$1,350 by 30,000. The result would be the same, per mile.

Mr. Chairman, I am at the moment speaking personally. And I was using an illustration when we got off on this discussion about the cost of transporting this group of prisoners.

We made a comparison, and on a round trip of 500 miles by railroad, the cost of 2 deputies transporting 2 prisoners using pullman accommodations would be approximately \$112.50; making that same trip by automobile using a 10-cent-a-mile rate it would be \$50. The Government saves through that voluntary use of the automobile \$62.50. We in the Department of Justice are doing everything we can under the circumstances to encourage the use of privately owned automobiles on these prisoner trips.

Mr. FASCELL. For what reason?

Mr. MILLER. For the reason of economy, and expediting prisoner movements. And we are having, we think, reasonable success in doing that even at the 7-cent-a-mile rate. But with the increased costs, gentlemen, I don't see how the deputies really are making out. They are kidding themselves if they think they are making anything on it, because the figures do not substantiate that belief.

Mr. FASCELL. Do you feel that this is a special problem that applies only to the Justice Department, or is it general in nature?

Mr. MILLER. I think that the mileage problem is general in nature. But we have a special problem due to our specialized type of service. And frankly, I am hoping that someday we may be called on to comment on one of the special bills that are introduced for the benefit of marshals. There was such a bill back in 1948, I believe, when the mileage rate was 5 cents a mile for Government personnel generally, and Congress saw fit to increase it to 7 cents a mile for the marshal service just because of those special considerations that obtain in their work. I have nothing to say in derogation of the work of any other Government agency. But my particular love is the marshal service, if I may be allowed to express that.

Mr. FASCELL. Do you feel that if this bill were amended to provide some discretionary latitude with respect to extra heavy workloads on mileage that that would be satisfactory without raising the present mileage allowance?

Mr. MILLER. Mr. Congressman, it probably would be satisfactory, but in the absence of seeing it written out to know how it would work, I would be unable to comment.

Mr. FASCELL. In other words, you don't feel—

Mr. MILLER. I don't feel that I can comment on something that I don't understand. If you can make a satisfactory allowance or provide for actual expenses in some way—

Mr. FASCELL. Either in advance or approved subsequent to the trip?

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Mr. MILLER. Yes; it would be very desirable from the standpoint of these men who are doing an excellent job for us.

Mr. FASCELL. Then, as I understand it, you recommend raising the mileage rate to 10½ cents flat or providing reimbursement or approval on an actual expense basis.

Mr. MILLER. That would be my personal feeling: yes, sir.

The CHAIRMAN. Thank you very much, sir.

Does your associate wish to make a statement?

Mr. MILLER. No; he does not.

The CHAIRMAN. This is Mr. Ralph S. Roberts.

**STATEMENT OF RALPH S. ROBERTS, ADMINISTRATIVE ASSISTANT  
SECRETARY, DEPARTMENT OF AGRICULTURE**

The CHAIRMAN. Identify yourself for the record, please, Mr. Roberts.

Mr. ROBERTS. Mr. Chairman, my name is Ralph S. Roberts; I am Administrative Assistant Secretary of the Department of Agriculture.

I do not have a prepared statement, Mr. Chairman. With your permission I would like to speak from notes.

I appreciate the privilege, Mr. Chairman and members of the committee, of appearing before your subcommittee and discussing with you our viewpoints on these bills, H. R. 3950, H. R. 4169, and H. R. 4918, all of which contain proposals for increasing the maximum per diem allowance payable on official travel and some other related provisions.

At the outset, let me say that we prefer enactment of H. R. 4918. As I will indicate a little later on, we feel that there is factual support in our experience in the Department of Agriculture for the enactment of that bill.

I would like to take just a few moments of the committee's time to discuss the policies and procedures in the Department of Agriculture as they are outlined in our administrative regulations and as those regulations are implemented in the bureaus and agencies of the Department.

We have in the Department, in our administrative regulations, a policy statement which guides the heads of our agencies in the authorization of official travel. We have also provided them with guides and standards for the allowance of per diem under particular circumstances.

Our regulations contain the following policy statement which I think will help the committee to understand the reason for our very low per diem rates in connection with certain types of travel.

The regulations read as follows, in part:

Under the provisions of the Standardized Government Travel Regulations the per diem allowance is intended to cover an employee's necessary authorized expenses for subsistence while he is traveling on official business. An ideal rate would be one by which, with due regard to economical expenditures, as well as equitable treatment of employees, the individual would receive an amount neither in excess nor below necessary authorized expenses when required to travel for the Government.

In establishing such rate all factors that bear upon a fair and equitable per diem allowance, both from the standpoint of the traveler and the Department need, shall be taken into consideration. There are certain primary factors that must be considered in the fixing of per diem rates such as: 1, the relative cost of living in the area in which travel is to be performed; 2, the length of the stay at



the particular point, since continuous abode for prolonged duration at the same lodging offers advantages of reduced rates, savings of tips, and other expenses; 3, train travel which involves extensive use of overnight pullman facilities, thereby eliminating hotel or other lodging expenses; and 4, travel where lodging and meals may be obtained at motor courts, camps, farmhouses, sawmills, timber operations, Government facilities, and other places where costs are usually moderate.

When per diem rates are prescribed in annual letters of authorization, which should be issued only under unusual conditions, they should provide for a degree of flexibility that will permit adjustment for the varying conditions which may apply, or the rate should be fixed at points where they meet the average conditions of travel of particular individuals over the periods covered by the authorizations.

In the Department of Agriculture, as members of this committee know, I am sure, our operations are highly centralized. They must be of necessity, because we have many employees in the field who are working with farmers, with timber operators, with processing plants, and so forth, that are far outside the areas of dense population, the usual areas where costs are inordinately high. We have thus delegated responsibility to agency heads to establish rates within the framework of these Department regulations and the policy statement which I have just read.

Under these regulations, and within the present \$9 maximum, the average per diem paid in the Department of Agriculture in the fiscal year 1954 was \$6.72.

Unquestionably that low rate of per diem reflects what I believe is a conscientious effort on the part of the Department of Agriculture to administer a sound and economical program of travel. In large measure, however, it is due to the fact that 75 percent of our travel is in rural areas, small towns, county seats, and so forth, where the costs are generally lower than in urban areas. It also reflects the fact that large amounts of travel in some agencies is conducted in the mountainous areas such as the national forests where it is possible for the employees to live on substantially reduced per diem allowances.

Let me cite the Forest Service, for example, where 46 percent of its travel is at a per diem rate of \$5 or less. They have found that it is equitable and fair to the employee to allow rates of less than \$5 where the employee is inspecting ranger stations, timber camps, places of that character.

We have the same situation in the Agricultural Research Service where a per diem of \$5 or less is allowed for crews that are working on eradication programs on various infestations of plant and pest diseases; in relatively uninhabited areas where crews stay at 1 location 2, 3, or 4 weeks at a time.

In the Farmers' Home Administration, the Rural Electrification Administration, and the Soil Conservation Service, where approximately 80 to 90 percent of the travel is in the field in rural areas visiting farms, working out of county seats in many places, a per diem rate has been found to be adequate at \$8.

Now, I don't want to leave the impression that the Department is satisfied with the present \$9 maximum. Quite the contrary is true. There is a serious need for administrative flexibility to fix equitable and fair travel rates to employees, particularly where travel involves areas where the costs are high, and where subsistence costs exceed the \$9 maximum. The traveler in those cases is forced at the present time to absorb the difference from personal funds. And we estimate that roughly 25 percent of our travel in the Department of Agriculture

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is in the larger cities or the urban areas where we are either pushing the maximum at the present time or have exceeded it. We have made some surveys, sample surveys, in the Department ---

Mr. JONAS. Pardon me for interrupting there. May I ask a question? Why would you have that much travel in urban areas?

Mr. ROBERTS. When I am speaking of urban areas I am speaking primarily of cities that exceed 50,000 in population. They are not the big metropolitan areas you have in mind.

Mr. JONAS. Why would you have much travel in those areas?

Mr. ROBERTS. We have a good deal of travel out of State offices, you see. We have travel out of regional offices. Then, of course, there is some travel from national headquarters.

Mr. JONAS. But you said 25 percent of your travel.

Mr. ROBERTS. That would be in areas--would involve travel in areas of about 50,000 population or more, yes, sir. That includes many of your locations in which land-grant colleges and other educational institutions are located. We have a great deal of cooperative work with them. We also have many commodity graders and inspectors and market news reporters who work exclusively in urban areas.

We have made some sample surveys in the Department that indicate that in our opinion the \$13 maximum per diem allowance in section 1 of H. R. 4918 would meet our Department needs. That is assuming, of course, that the special authority under the special proviso of that section to establish higher rates on an actual expense basis under special circumstances would also be approved.

These surveys indicate, for example, that in our Agricultural Conservation Program Service, in the higher cost areas I was speaking of, the average over a period of time was \$12.40. In the Agricultural Research Service in certain of the sections east of the Mississippi, the average during the period covered by the study was \$9.72. West of the Mississippi in the same study with the same type of work involved, it was \$9.68. In our Commodity Stabilization Service where we are dealing with large commodity operations, and our commodity offices are located in the larger cities of the country, the average was \$12.94. Our Farmer Cooperative Service, based on travel for the entire organization over a 90-day period, was \$9.29. The Forest Service in the higher cost cities, and excluding travel in the national forest areas, was \$10.31.

So I think it is rather clear that there is a basis for an increase in the per diem rate, and also that \$13 would meet our needs.

We want to support especially, too, Mr. Chairman, the special proviso for actual expenses. There are circumstances under which a \$13 rate or even a \$15 rate would not be adequate to reimburse the employee for his out-of-pocket expenses, and feel that the special provision is appropriate in order to avoid the employee paying costs of Government cost from private funds.

The CHAIRMAN. Should we establish a maximum in that proviso?

Mr. ROBERTS. I would recommend not, Mr. Chairman. I am of the opinion that if we are going to have a special proviso, the object of which is to pay for the cost to the employee, we ought to be able to pay the total cost and not fix what might be considered an arbitrary ceiling on it. The special proviso would be used, however, only in

limited cases. It would not be for general use, at least in the Department of Agriculture.

Mr. JONAS. What about a proviso to take care of actual expenses based on certification, but not to exceed a maximum?

Mr. ROBERTS. Mr. Jonas, I like the certification idea very much. But again, I don't like to see a maximum written in when the purpose of the special proviso itself is to cover total costs. I think there is a basis for considering the possibility of permitting the special proviso to operate on an approval basis as well as in advance, for the same reason.

The CHAIRMAN. What about mileage?

Mr. ROBERTS. On mileage, Mr. Chairman, I find myself at complete odds with the witness from the Department of Justice. Our average mileage rate for the entire Department of Agriculture in 1954 was 6.6 cents per mile. It has averaged 6 and a fraction cents now for 4 or 5 years. We have a good many employees using their privately owned cars. Also in two agencies, the Forest Service and the Soil Conservation Service, we have a large number of Government-owned cars. We have found that our average cost of operating and maintaining the Government-owned cars has run just under 4 cents a mile. That does not, of course, include insurance or depreciation. But we are not having difficulty at the present rate, Mr. Chairman.

The CHAIRMAN. Don't you think it should include it?

Mr. ROBERTS. Yes. But we feel that the mileage rate we are now allowing, within the 7-cent maximum to operate privately owned vehicles does cover insurance and depreciation.

The CHAIRMAN. Do you do your own repairs and maintenance?

Mr. ROBERTS. On our Government-owned cars in some cases it is done in our repair shops. That is true largely in the Forest Service and in SCS. But in the agencies that have fewer cars the repair work is done by commercial people.

The CHAIRMAN. Any other questions, Mr. Jonas?

Mr. JONAS. No, sir.

The CHAIRMAN. I am not satisfied on this mileage. You say you are hitting better than an average of 6 cents now, and you have been for the last 5 years.

Mr. ROBERTS. It has not varied much, Mr. Chairman.

The CHAIRMAN. You don't think it is getting any cheaper to operate an automobile, do you?

Mr. ROBERTS. In 1950 our average per mile was 6.3 cents. In 1951 it was 6.2.

The CHAIRMAN. You mean it is going down?

Mr. ROBERTS. Well, it did that year. That I can't explain. In 1953 it was 6.6, and in 1954 it was 6.6.

The CHAIRMAN. Don't you think that indicates that since it was established at seven that it is indicated in this legislation to raise that cost of mileage?

Mr. ROBERTS. What the future holds I couldn't say, Mr. Chairman. But certainly we have no factual basis right now for recommending an increase based on our experience.

The CHAIRMAN. If it has been consistently going up, I see nothing in the immediate future to cause it to go down or remain stable, do you?

Mr. ROBERTS. We would hope it wouldn't go up much more, Mr. Chairman.

The CHAIRMAN. You are within a few points of seven now, and you are leaving it at seven?

Mr. ROBERTS. Yes; and I think we can live with seven for the time being, Mr. Chairman.

The CHAIRMAN. You think you can live with it, but can that employee live with it and not be paying anything out of his pocket for doing the Government's business?

Mr. ROBERTS. I believe so. In the Department of Agriculture we think so.

The CHAIRMAN. The Department of Agriculture has operated very appreciably and actively in shaping up this mileage. But I do not think that applies to the general run of Government employees. I think because of the nature of the service you are rendering it would not apply.

Mr. JONAS. May I ask a question?

The CHAIRMAN. Certainly.

Mr. JONAS. Have you had any complaints from employees in the field concerning their mileage?

Mr. ROBERTS. We have had one complaint, Mr. Jonas, that has been rather persistent over a couple of years. It applies not to mileage for automobiles, but to mileage for the use of a privately owned airplane. It is from a man who works out in the vast reaches of the West, and chooses of his own volition at times to travel by privately owned airplane; he has a small plane. But generally we have not had complaints.

Mr. JONAS. You have no substantial number of complaints?

Mr. ROBERTS. No, sir.

The CHAIRMAN. Thank you very much, sir.

Mr. JONAS. I would like to ask that same question to Mr. Miller with respect to his deputy marshal.

The CHAIRMAN. He has gone.

Now, on the question of whether we shall continue on or adjourn and return after lunch, what would be your wishes in the matter, Mr. Jonas?

Mr. JONAS. How many more witnesses care to testify? It is possible that if they are all in support of the bill, some of them might like to just file their statements.

The CHAIRMAN. That is what I was about to say.

If there is anybody who is against this bill, who has ideas that are against it, we will hear him now.

(No response.)

The CHAIRMAN. Those who wish to file statements, those that are in support of it, that is, we will receive your statements at this time and you won't have to come back.

Will you stand up and identify yourself and file your statements?

**STATEMENT OF THOMAS G. WALTERS, OPERATIONS DIRECTOR,  
GOVERNMENT EMPLOYEES' COUNCIL, AMERICAN FEDERATION  
OF LABOR**

Mr. WALTERS. My name is Thomas G. Walters, operations director of the Government Employees' Council of the American Federation of Labor, in support of H. R. 4169.

(The statement of Mr. Walters is as follows:)

**STATEMENT OF THOMAS G. WALTERS, OPERATIONS DIRECTOR, GOVERNMENT  
EMPLOYEES' COUNCIL, AMERICAN FEDERATION OF LABOR**

Mr. Chairman and members of this committee; by way of introduction, my name is Thomas G. Walters, operations director of the Government Employees' Council of the American Federation of Labor, 100 Indiana Avenue, NW., Washington 1, D. C., phone Executive 3-2820 and 3-2821.

The Government Employees' Council of the American Federation of Labor is made up of 21 national and international unions whose membership, in whole or in part, are civil-service employees. The total Federal and postal employee membership of the Government Employees' Council is more than 500,000.

We of the Government Employees' Council, A. F. of L. have appeared before many committees of Congress during the past few years, and strongly recommended that subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government be increased in keeping with the cost of the present-day subsistence expenses and transportation.

We are sure that no Member of Congress believes that the present allowances are adequate, and from the Members of Congress that I have talked with the only difference of opinion is the amount of per diem and the amount of transportation that should be allowed.

We believe that the provisions of H. R. 4169 are in keeping with present-day cost and we, therefore, strongly recommend that the provisions of H. R. 4169 be approved by this committee and that the 1st session of the 84th Congress will approve the legislation before adjournment.

We appreciate the opportunity of appearing before this committee and stating our position on the legislation to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

The CHAIRMAN. Thank you, Mr. Walters.

**STATEMENT OF LUTHER C. STEWART, PRESIDENT, NATIONAL  
FEDERATION OF FEDERAL EMPLOYEES**

Mr. STEWART. Mr. Chairman, Luther C. Stewart, president, National Federation of Federal Employees, in support of the legislation.

Copies of my statement have already been furnished to the staff.

The CHAIRMAN. Fine.

(The statement of Luther C. Stewart is as follows:)

**STATEMENT OF LUTHER C. STEWART, PRESIDENT, NATIONAL FEDERATION OF  
FEDERAL EMPLOYEES**

Mr. Chairman and members of the committee, in appearing before you to present our views on the subject of allowance for subsistence to employees in travel status and to fix mileage allowance for travel on official business in privately owned automobiles or motorcycles, I desire to point out that placing employees in travel status is an administrative decision made in the interest of the Federal Government, the employer. It therefore follows that allowance should be fixed at a figure which will reimburse the employee for the necessary outlay incident to travel.

Under the present maximum limitation of \$9 per day for subsistence and 7 cents a mile for privately owned automobiles used on official business, employees are required to expend from their own personal funds in order to make up the

difference between what the Federal Government allows and what is actually required in order to maintain themselves while in travel status. That such a situation is manifestly unfair requires no argument.

We endorse H. R. 4918 which will have the effect of increasing the present \$9 per day to \$13.

We are in agreement with the provision that heads of departments and agencies may, when unusual conditions arise, authorize actual necessary expenses in excess of the proposed \$13 maximum. We would suggest, however, that on line 1, page 2, of H. R. 4918, the word "much" be stricken as this is a vague term, and its elimination would leave to the judgment of the department or agency head the question whether the excessive cost of subsistence justified the additional allowance.

We recommend that section 3 of H. R. 4918 be amended so as to provide a maximum allowance for travel by privately owned automobile of 10 cents per mile and by privately owned motorcycle of 6 cents per mile.

With the above suggested changes we endorse H. R. 4918 and urge its prompt and favorable consideration by your committee.

The CHAIRMAN. Thank you very much for your interest and your presence.

**STATEMENT OF JOSEPH P. HOCHREITER, CHIEF, STANDARDS DIVISION, DIRECTORATE OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE, REPRESENTING THE DEPARTMENT OF DEFENSE**

Mr. HOCHREITER. I am Joseph P. Hochreiter, Chief, Standards Division, Directorate of Civilian Personnel, Department of the Air Force, representing the Department of Defense.

(The statement of Mr. Hochreiter is as follows:)

**STATEMENT OF JOSEPH P. HOCHREITER, CHIEF, STANDARDS DIVISION, DIRECTORATE OF CIVILIAN PERSONNEL, DEPARTMENT OF THE AIR FORCE, REPRESENTING THE DEPARTMENT OF DEFENSE**

Mr. Chairman, members of the Government Operations Committee, I am Joseph P. Hochreiter, Chief, Standards Division, Directorate of Civilian Personnel, Department of the Air Force. On behalf of the Department of Defense, I want to thank the committee for this opportunity to present the Department's views on these bills.

The Department of Defense strongly supports an increase in the maximum per diem allowance of \$9 presently provided in the Travel Expense Act of 1949.

The Department of Defense believes that when an employee is required to travel, he should be reimbursed for expenses resulting from such travel but should neither gain nor lose money in the process.

This philosophy is reflected in existing Department of Defense regulations on civilian travel. It is predicated upon certain basic principles, one of which I would like to quote from Department of Defense Directive 1420.1, August 20, 1952:

"1. No employee should be forced to pay for directed Government travel at his own expense; conversely, no employee should be allowed to make a profit out of Government travel."

It has been a common experience for civilian personnel traveling on official business to find that the present \$9 maximum is inadequate to cover necessary expenses. Some specific examples which are considered as fairly typical cases within metropolitan areas are:

An employee was requested by American Telephone & Telegraph Co. to represent the Department of the Air Force at a meeting in Chicago; company had made reservations for employee at hotel commonly used by the company; after assignment to his room, employee found that daily rate was \$9; no other room was available at a lower rate.

An employee traveled to Boston; total expenses were \$42.10 of which \$17 was for hotel room for 2 nights. The per diem collected amounted to \$22.50. The employee's loss was \$19.60.

An employee traveled to Colorado Springs, Denver, and Omaha; his total expenses for the trip were \$114.50, of which \$50.50 went for hotel rooms. Per diem collected amounted to \$78.75. The employee's loss was \$35.75. Based upon the figures compiled by the Bureau of the Budget and some research of our own, we believe that the \$13 maximum contained in H. R. 4918 is more appropriate at this time than the \$15 figure contained in both H. R. 3950 and H. R. 4169. The reasoning upon which this is based is as follows:

(a) Based upon a 1954 survey of all 48 State governments, for personnel employed by State employment security agencies, only 1 State provided for a maximum of less than \$9, with 1 State providing the same, and all others providing a larger amount by—

- (1) providing for reimbursement of actual expenses incurred, or
- (2) providing a set amount for meals plus actual hotel expenses, or
- (3) providing a set amount for hotels plus actual other expense.

(b) For income-tax deduction purposes, the Bureau of Internal Revenue recognizes that for those returns of Federal employees in which deductions are itemized, reasonable subsistence expenses above the present \$9 maximum incurred in official travel away from home are allowable.

(c) Based upon published figures of well-known hotel cost accounting firms it can be safely said that the present average cost of hotel rooms is in excess of \$7.50 per day; based upon yearly published figures of the American Automobile Association the average cost of meals is approximately \$4.50 per day; based upon employee experience, it is reasonable to say that additional costs for incidentals will average about \$1 per day. The total of these costs will therefore average around \$13 per day.

While it will be true that in some cases the \$13 per day will be exceeded, it is suggested that at this time there is no concrete evidence to justify on the average more than the \$13 maximum.

However, the Department of Defense is gratified to find that H. R. 4918 does make provisions for taking care of certain cases by allowing heads of departments to prescribe conditions (in accordance with Bureau of Budget regulations) under which reimbursement would be allowed where the maximum per diem allowance would be much less than the amount required to meet actual and necessary expenses. We feel this is entirely appropriate, is in keeping with the philosophy previously expressed, and urge its retention in the proposed bill. While, as H. R. 4918 states, these are "unusual circumstances," we know they do exist at times and feel that it is only fair and equitable to provide for the contingency.

For example, it is sometimes necessary to send an employee to a location where, because of the season or because of unusually heavy demands on hotel accommodations caused by convention crowds or other large itinerant group concentrations, he is compelled to use higher cost accommodations.

If this provision is enacted, the Department of Defense will establish strict controls to assure that it is applied only in unusual circumstances. In this respect, the committee's attention is invited again to the manner in which the Department controls the present \$9 maximum. If this additional authority is granted, the new directive will have similar controls.

Of equal importance to the question of what this increase in individual per diem allowance should be is what the total cost of this increase will be to the Department of Defense. This cost cannot be estimated with complete accuracy because, as indicated above, the basic premise of the Department of Defense travel policy is the principle of "no gain or loss," and if this increase is enacted, necessarily we will feel an even greater compulsion to exercise controls on prescribing the new maximum than we presently have under current regulations. Therefore, it is not possible to forecast with accuracy the number of cases in which the maximum rate will be authorized.

We have advised the Bureau of the Budget that we have an estimated \$95 million for travel of civilians in the fiscal year 1956 budget. We estimate that per diem costs represent about \$48 million of this total. An increase in the maximum of \$9 to \$13 represents a 44 percent increase, or a total of \$21 million. This represents the maximum possible increase in travel per diem. However, since it has been and will continue to be our policy to provide for per diem rates at less than the maximum when circumstances do not justify the maximum, the cost of \$21 million would be the top limit possible and would in actual practice be reduced by the number of trips made at a lower rate than \$13.

The Department also wishes to support that provision of the proposed bill which provides for an increase from \$10 to \$15 for personnel performing service without compensation. This change would make this provision consistent with the \$15

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per diem provided for experts and consultants appointed under Executive Order 10182, pursuant to the provisions of Public Law 774, 81st Congress (Defense Production Act). It should be noted in this connection that the type of personnel who are selected on this basis are recognized experts in their field and who are contributing their time and knowledge to the Department without monetary reward. It would therefore not be appropriate in our view to expect that they should be subjected to additional out-of-the-pocket expense while so working. Insofar as concerns additional cost for this change, our estimate is that the \$5 increase would total less than \$10,000 annually.

As to the question of increase in mileage allowance, the Department of Defense is in agreement with the Bureau of the Budget to the effect that present evidence does not require a change in this provision. Therefore, we do agree with H. R. 4918 and do not concur with the proposed changes as reflected by H. R. 4169 and H. R. 3950.

The CHAIRMAN. Thank you.

**STATEMENT OF RUSSELL M. STEPHENS, PRESIDENT, AMERICAN  
FEDERATION OF TECHNICAL ENGINEERS, AMERICAN FEDERATION  
OF LABOR**

Mr. STEPHENS. Mr. Chairman, my name is Russell M. Stephens, president of the American Federation of Technical Engineers of the American Federation of Labor, filing a statement in support of H. R. 3950 and H. R. 4169.

(The statement of Mr. Stephens is as follows:)

**STATEMENT OF RUSSELL M. STEPHENS, PRESIDENT, AMERICAN FEDERATION OF  
TECHNICAL ENGINEERS, AMERICAN FEDERATION OF LABOR**

Chairman Dawson and members of the subcommittee, my name is Russell M. Stephens. I am president of the American Federation of Technical Engineers affiliated with the American Federation of Labor.

The organization which I represent includes members employed by the United States Government in the fields of engineering, architecture, and allied technical occupations. Approximately 20 percent of our membership is in the service of the Federal Government.

I am pleased to have been afforded the opportunity to present the favorable endorsement of our organization with respect to H. R. 3950 introduced by Congressman Gardner M. Withrow, of Wisconsin, and H. R. 4169 introduced by Congressman Earl Chudoff, of Pennsylvania, which provide for an increase of the per diem allowance in lieu of subsistence for employees of the Federal Government on authorized travel orders within the continental limits of the United States. Those bills would increase the allowance to \$15 per day maximum from the present \$9 per day limitation. The bills above mentioned also provide that employees using their own automobiles or motorcycles in such travel status would have their transportation allowance increased from 7 cents to 12 cents per mile in the case of an employee traveling by private automobile, and from 4 cents to 6 cents per mile in the case of an employee traveling by motorcycle. While the highly respected chairman of the Committee on Government Operations has sponsored H. R. 4918 in the present session of Congress, we feel that the \$13 per day per diem allowance specified in Congressman Dawson's bill is less than present hotel and meal costs would justify. Therefore, while we heartily appreciate Congressman Dawson's sincere interest in the welfare of the Federal employee, as evidenced by his introduction of the foregoing-mentioned legislation, we must support the bills introduced by Congressman Withrow and Chudoff as being more in line with present-day travel costs. The members of our organization being in the engineering services of the United States Government travel as much, if not more, in the performance of their duties than most other groups of employees of the Federal Government. Many of the manufacturing projects which are designed and engineered in Government-operated establishments are manufactured and produced on contract by private production facilities, and it is necessary that federally employed engineers maintain constant liaison in the status of Government representatives between their design branches and the contract facility. In other words the Government engineer and designer who has



conceived and formulated the plans and blueprints for production is called upon to act as the Government watchdog to guarantee that the product purchased with Government funds is manufactured according to previously planned specifications.

You can see therefore, that a great many of the people whom I am privileged to represent are in travel status a great deal of the time.

Under the present allowable per diem reimbursement of \$9 per day, it is necessary that those of our members traveling frequently are forced to spend a great deal of their personal salary checks in order to cover the cost of living away from home, which cost is much in excess of the \$9 per day presently allowed. Year after year delegates to our international conventions representing our Federal locals have presented resolutions to our conventions mandating our international union to work toward an increase in travel allowance.

For many years prior to 1952 the constitution of our international union stipulated a \$12 per day subsistence allowance for officers and employees of our international union traveling in behalf of our organization. This was changed to \$15 per day by action of our 1952 convention, which \$15 per day has since proven inadequate to cover the cost of hotels and meals in most major cities. As a result I intend to sponsor at our next convention a resolution to increase the travel allowance of our representatives to \$20 per day. I myself travel frequently and know from first hand that in many cases my hotel bill runs as high as \$12 per day and I can furnish the committee hotel receipts to prove my statement.

I have studied the statement prepared by James A. Campbell, president of the American Federation of Government Employees. This statement is backed with statistical data, which time did not permit me to prepare. I do however, agree with all facts as presented by Mr. Campbell and support his statement without reservation.

Again Mr. Chairman, I wish to thank you for the opportunity of coming before this distinguished committee of the Congress to present the views of the hard-working, loyal, American citizens whom I am privileged to represent and I urge most sincerely that your committee report a bill to the Congress which will increase the present unrealistic travel-pay policies which are enforced by present legislation.

#### STATEMENT OF JAMES A. CAMPBELL, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. CAMPBELL. Mr. Chairman, my name is James A. Campbell, president of the American Federation of Government Employees.

(The statement of Mr. Campbell is as follows:)

#### STATEMENT OF JAMES A. CAMPBELL, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The American Federation of Government Employees favors the bills H. R. 3950 introduced by Representative Gardner M. Withrow of Wisconsin and H. R. 4169 sponsored by Representative Earl Chudoff of Pennsylvania, which provide for an increase of the per diem allowance in lieu of subsistence for civilian officers and employees of the Federal Government while traveling on authorized official business within the continental United States. For those who use their own automobiles or motorcycles on official travel, the maximum allowance would be increased from 7 cents to 12 cents a mile for automobiles and from 4 cents to 6 cents a mile for motorcycles.

There is ample justification for these increases. They are in fact long overdue. It is not a matter of determining the proper rate of increase only by basing it solely on the proportionate increase in travel costs since 1949, when the last increase in travel allowances was authorized by the Travel Expense Act enacted as Public Law 92 in the 81st Congress. That will justify substantially what is provided in these bills. But it can be shown that a \$9-a-day allowance was inadequate in 1949.

Unfortunately, the employees who suffered personal losses during the nearly 6 years intervening cannot be reimbursed for their losses. However, that loss certainly is an added reason why the amount should now be set at a figure which today will be reasonably sufficient to permit a Federal employee to travel for the Government without having to bear some of the expense himself.

It should be clearly borne in mind that we are dealing with a maximum figure. If these bills become law they will not authorize \$15 a day for every employee, whether he purchases hotel accommodations and meals at one of the metropolitan hotels or stays at a 25-room hotel in a town having 2,000 or 3,000 population. On the contrary, his agency would undoubtedly follow the common governmental practice of establishing a schedule of rates which will vary from the maximum of \$15 a day down based on specific conditions. The Department of Commerce has had 10 different rates ranging from the minimum of \$2.40 to the present maximum of \$9. The Department of Agriculture has 30 different rates beginning at \$1 because a large part of the travel is in rural areas, though it is difficult to imagine anyone in this day and age purchasing food and shelter for \$1 a day.

Everyone who has traveled even intermittently during the last few years is well aware of the fact that the cost has risen appreciably. Reliable statistics show that hotel room rates have advanced about one-third over the rates which prevailed in 1949, when the existing travel allowance was increased by Congress. The prices of meals have gone up 20 or 25 percent. The cost of other incidentals may be assessed at no less than 25 and more likely at 30 percent or more. Included in such items are tips and fees while traveling, laundry, cleaning and pressing of clothing, and tips to waiters, to name the most common demands upon the traveler.

Convincing evidence of the need for an appreciable increase in the per diem allowance is supplied by the statistics collected by two accounting firms for the American Hotel Association. Figures of the one firm Horwath & Horwath, show that a 12-month average for hotel rooms for the period through February 1955 was \$7.25 as compared with \$5.47 in 1949. This is an increase of 32.5 percent. On the other hand, the average room rate in the calendar year 1954 was \$7.91, according to Harris, Kerr, Foster & Co. Their comparable 1949 figure was \$5.89. This same firm stated \$1.77 as the average price per hotel meal.

These figures are admittedly heavily weighted by big-city rates, but we are not dealing with the problem of fixing an average allowance that will fall between the cost of maintaining oneself in a metropolitan hotel and in the 25-room hotel or small tourist home in a small town or village. Such an average would afford no correction to the existing fact that the rate is too low. The rate should be such that the employee will not be required to bear part of the essential expenses himself when he is directed to travel to one of the large metropolitan centers. The rate should, therefore, be sufficient to cover the highest prices for hotel rooms, meals, and various services. A fair determination of what the rate should be cannot therefore be based on average costs. It is a matter of determining how much the traveler may be reasonably expected to pay in areas where high prices prevail.

The statistics to which reference has been made indicate that there is ample justification for the \$15 maximum allowance provided in the bills before this committee. The figures also show that the current \$9 fell short of being an adequate allowance in 1949.

The \$15 figure will be substantiated in this statement by setting up a schedule of major expense items selected so as to indicate the sum which a Federal employee may reasonably be expected to pay in those areas where prices are high.

The one accounting survey already cited indicated an average price of \$7.91 for a hotel room in the last calendar year. It should be emphasized that this is an average figure. It includes many rates in excess of \$7.91 by reason of the fact that it is an average. It is quite reasonable and realistic to select a \$9 rate as a price a Federal employee is likely to pay in a metropolitan hotel. Anyone who travels today know that \$9 will obtain modest accommodations in one of the large cities and will by no means represent luxurious living.

Evidence submitted to this committee last year by at least one Government agency indicated a range of hotel prices from \$5 to \$12 a day based on a sampling of travel experience of its employees.

The next major item of expense is meals. In its statement to the committee last year, the Bureau of the Budget told this committee that its survey of travel expenses led to the conclusion that \$4.50 represented the minimum increase in cost of meals over the \$3.75 which was stated as the cost in 1949. Again it should be pointed out that this represented a minimum figure and for that reason certainly could not adequately cover costs in higher price areas. Even though a higher figure could be substantiated, a conservative estimate has been made and on that basis the cost of meals in 1955 has been placed at \$4.80 a day. That is still below the \$1.77 average stated by one of the accounting firms already cited.

## SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES 45

There is left in the schedule of expenses those various incidentals which are necessary to a minimum of convenience and comfort. They include those items to which reference has been made—tips to waiters and porters, and such other items as laundry and cleaning and pressing of clothing. A small increase is included over the \$1.20 stated by the Budget Bureau last year. The overall estimate then may be stated as follows:

Hotel room.....	\$9. 00
Meals.....	4. 60
Incidentals.....	1. 40
Total.....	15. 00

The bills also provide for increasing the present allowance of 7 cents a mile for the use of an employee's own automobile to 12 cents and an increase of the allowance for use of a privately owned motorcycle from 4 cents a mile to 6 cents.

Here again it may be stated that these increases are needed. The cost of maintaining and operating a motor vehicle is such that the present allowance is insufficient. It is not only a matter of filling the gasoline tank and replenishing motor oil. Tires must be renewed, needed repairs made, and other expenses met which cannot be avoided in ordinary use on a car. It is not only a matter of wisdom but is now a matter of law in many States that the owner of the vehicle must be insured to the extent of being able to pay for the damage to property or injury to persons which may result from an accident. There are registration and license fees and such other expenses as placing a car in a garage or some parking facility when on a trip.

The Bureau of Labor Statistics surveys of price increases for these expense items show that some of them have risen substantially since 1949. Automobile repairs, for example, have increased more than 24 percent. Tire prices are up 19 percent. Gasoline prices have advanced 13 percent. Insurance rates for automobile coverage have increased more than 28 percent.

If these price increases are combined in a manner approximating their size and importance to the owner and user of an automobile, and allowance is made for the fact that the present 7 cents a mile did not cover the essential items of expense when established, it becomes apparent that a substantial increase is needed. Such a combination was made in formulating the AFGE viewpoint with respect to these bills, giving the greatest weight to such items as price of new cars, gasoline, repairs and insurance. The resultant figure was a weighted average cost in increase which substantiated a per mile allowance of 9 to 10 cents. However, this allows nothing for depreciation of the car and its equipment. It would seem reasonable to allow an additional 2 to 3 cents for this purpose.

When an individual confines the use of his car to his own use, he has full control over its disposition. He may exercise that sort of care which may cause little wear and damage to the vehicle. But when a car must be used in connection with employment, it may be driven much farther within a few days than the owner would have driven it within a month. This wears out both the mechanism and the general structure of the car and speeds up the need for replacements. What may be said in relation to automobiles applies about equally to a motorcycle.

If remedial legislation is to be satisfactory, it must provide a rate which will make it possible for a Federal employee to travel wholly at Government expense and not partly at his own expense. At present the employee in many instances is not being fully reimbursed. A per diem allowance should be established which will cover the cost of travel to the metropolitan center as the maximum and make certain that the sum provided is sufficient to cover travel under varying conditions and in different localities. It is not requested that the maximum allowance be the amount authorized for travel irrespective of destination. There is ample safeguard against the misuse of the allowance. The travel voucher must first be submitted to the employee's own agency and later be subjected to examination by the General Accounting Office which is directly responsible to Congress.

This opportunity to present the views of the American Federation of Government Employees is appreciated. Our thanks are forthcoming to Congressmen Withrow and Chudoff for sponsoring the two bills which are heartily supported by this federation. The committee is to be commended for the interest it has shown in this matter and it is hoped that it will be possible to report a substantial increase of the per diem and travel allowances within a short time.

**STATEMENT OF S. D. LARSON, DIRECTOR, DIVISION OF BUDGET  
AND FINANCE, DEPARTMENT OF THE INTERIOR**

Mr. LARSON. I am S. D. Larson, Director, Division of Budget and Finance, Department of the Interior. I am filing a statement in support of H. R. 4918.

(The statement of Mr. Larson is as follows:)

**STATEMENT OF S. D. LARSON, DIRECTOR, DIVISION OF BUDGET AND FINANCE,  
DEPARTMENT OF THE INTERIOR**

Mr. Chairman and members of the committee, in response to your request to the Secretary of the Interior for the Department's views and practices with reference to per diem allowances for travel in the continental United States, I have been designated to appear before your committee.

The Department of the Interior is in full accord with the provisions of H. R. 4918 and recommends that it be enacted.

We have found that the present maximum per diem rate of \$9 is insufficient to cover the expenses incurred by many of those who are required to travel on official Government business. The Department has not made a detailed study of the situation but as a result of numerous informal complaints we requested selected individuals to keep a record of their costs for various conditions of travel. It was found that these costs were in excess of the maximum allowance. We have been advised that the Bureau of the Budget has made an analysis of information accumulated during 1953 by certain large accounting organizations covering a survey of some 400 hotels throughout the country. This study revealed an average cost of \$13.20 per day including meals and incidental expenses.

This, of course, means that many employees are absorbing the excess costs. It is the view of the Department that an employee should not profit from the per diem allowance; however, on the other hand, we believe that he should not be expected to absorb excess costs from personal funds.

All travel is not authorized at the maximum rate. The varied nature of the Department's activities is such that travel is required under a wide range of circumstances. The range of travel is from high cost large metropolitan areas to lower cost remote areas. Per diem allowances in the lower cost areas are established with regard to costs in that particular area. Per diem allowances range from a minimum of \$3 per day to the maximum of \$9 per day.

We have not accumulated detailed statistics on travel per diem at the various rates or by grades of employees; however, it is estimated that approximately 50 to 60 percent of our travel is authorized at the maximum rate of \$9.

Section 1 of H. R. 4918 contains a proviso which would permit heads of departments and establishments, under regulations prescribed by the Bureau of the Budget, to authorize reimbursement on an actual expense basis, where due to unusual circumstances of a travel assignment within the limits of the continental United States, the maximum per diem allowance would be much less than the amount required to meet the actual and necessary expenses of the trip. The Department is wholeheartedly in favor of this provision, as it would provide authority for adequate reimbursement to employees for actual expenses incurred, in cases where the traveler is subject to exceptionally high costs.

The Secretary, Under Secretary, Assistant Secretaries and the heads of bureaus and offices find it necessary to attend meetings and conferences in various parts of the United States with State and local officials as well as others concerned with activities of the Department. Almost without exception these officials are called upon to meet with individuals and groups to discuss Government business. Lacking office or other suitable space for such meetings necessarily requires the official to obtain larger room accommodations than would otherwise be required. There are other instances where officials must attend important conferences and meetings in order to keep abreast of technical developments in the industries, so as to permit them to carry on their work for the Government in the most effective manner. Such meetings are usually held in large metropolitan centers where it is not uncommon to incur expenses of \$25 to \$35 a day. It is essential that the employees attend these meetings. They have no control over the places at which such meetings are held or the accommodations which have been selected. Such authority would be controlled at the departmental level and would be kept to a minimum consistent with good administration and the benefits to be derived

We believe that the proposal contained in section 2 of H. R. 4918 to authorize an increase of from \$10 to \$15 per day for travel of employees working at \$1 per year, or without compensation, constitutes desirable legislation. These employees are generally business and professional men, and the majority of their travel is to large metropolitan centers where living costs are consistently higher than the cost incurred by the average Government traveler.

I would like to outline briefly the policies and procedures of the Department of the Interior which govern travel of employees on Government business.

*General limitations.*—Travel shall be limited to that travel which is essential to the transaction of official business of the Department; must be either authorized or approved by a designated administrative officer; and expenditures therefore must be authorized by an appropriation or other statute.

Itineraries shall be planned in advance so that official business may be transacted with a minimum of travel and expense.

*Travel authorizations.*—Travel authorizations shall, whenever practicable, specify the places to be visited and the purpose of the travel. Travel authorizations shall be limited to specific trips, except in those cases where the issuance of a general or area authorization is justified.

Travel expenses shall be authorized on the basis of a usually traveled route for the trip, or for the itinerary specified in the travel order. Additional cost caused by deviation from the shortest and most direct route for personal convenience shall not be allowed.

*Per diem rates—General.*—Each bureau of office shall establish a basis for determining per diem rates which are appropriate for its requirements and which, insofar as practicable, will allow the traveler to receive an amount neither in excess of nor below his necessary travel expenses.

The authorizing official shall authorize or approve such per diem rates, not to exceed the maximum allowable by the latest Standardized Government Travel Regulations, as are justified by the circumstances surrounding the travel. The position, grade, salary, and marital status of the traveler shall not be considered in fixing per diem rates. Per diem allowances shall not be granted for the purpose of augmenting the salary of an employee.

When an employee's work assignment is in an isolated area, such as at a construction camp or at a work site of an investigating or survey party, and over a prolonged period it is possible to obtain low-cost lodging and meals, the authorizing official shall authorize or approve only such per diem rate as is justified under the circumstances.

When an employee's assignment is not in an isolated area but his length of stay is for a prolonged period and continuous lodging at the same place offers possibilities of reduced rates, the saving of tips and other advantages, the authorizing official shall authorize or approve only such per diem rate as is justified under the circumstances.

It is of course difficult to estimate accurately the additional cost which would result from the enactment of this bill because of the fact that a considerable portion of our travel is authorized at below the maximum rate and in many cases on a sliding scale, depending on the type of travel involved and the length of time spent at individual temporary duty stations. We estimate that the increased cost for the Department would be approximately \$800,000. Travel expense for fiscal year 1956 under the present maximum of \$9 is estimated to be approximately \$5,200,000.

The CHAIRMAN. I believe everybody is here except Mr. Fitzgerald.

**STATEMENT OF EDWARD W. McCABE, CHAIRMAN, COMMITTEE  
ON LEGISLATION FOR THE NATIONAL ASSOCIATION OF INTERNAL  
REVENUE EMPLOYEES**

Mr. McCABE. Mr. Chairman, I am Edward W. McCabe, past president and present chairman of the committee on legislation for the National Association of Internal Revenue Employees.

I am here in support of H. R. 4918. I submit my statement with the further provision that the \$13 be revised to \$15 in the bill proposed. (The statement of Mr. McCabe is as follows:)

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STATEMENT OF EDWARD W. McCABE, CHAIRMAN, COMMITTEE ON LEGISLATION  
FOR THE NATIONAL ASSOCIATION OF INTERNAL REVENUE EMPLOYEES

I am Edward W. McCabe, past president and present chairman of the committee on legislation for the National Association of Internal Revenue Employees.

It is requested that this statement be made a part of the official record and be recorded in the proceedings of the subcommittee of the Committee on Governmental Operations studying H. R. 4918.

The National Association of Internal Revenue Employees is an independent association banded together on a mutual interest basis. We have over 21,000 members and are an independent association.

Approximately 40 percent of our 54,000 employees will be required to travel on official business some time during the year. Some of the travel is by privately owned conveyance. We have found that the present per diem allowance for subsistence and the travel expense are wholly inadequate.

The per diem allowance of \$9 a day in the larger cities barely covers the cost of hotel accommodations and tips entering and leaving. The cost of 3 ordinary meals averages \$5 per day. The minimum per diem allowance for subsistence should be \$13 per day. Government employees are expected to obtain first-class accommodations and they cannot with present allowance unless they pay part of the cost from their personal funds. Our association is on record as favoring a minimum per diem of \$13 per day.

Further, a survey last year by one of our leading magazines revealed the cost of operating the most economical standard-make car was 10 cents a mile. Assume an employee uses his car (Ford, Chevrolet, or Plymouth) entirely on Government business and travels 12,000 miles during the year, the cost for gas, oil, grease, wash, minor repairs, adjustments, insurance, and depreciation would exceed \$1,200 or 10 cents a mile. The time has come when we should be realistic. The mileage expense should be 10 cents a mile.

We unitedly urge that your subcommittee favorably consider this brief and vote out a bill which will provide Government employees with a minimum of \$13 per diem subsistence and a minimum of 10 cents a mile when travel by privately owned conveyance is necessary.

I am grateful for the opportunity to present this brief.

The CHAIRMAN. Mr. Hoffman would like to question you.

Mr. HOFFMAN. I would like to ask each and all of them to file a statement as to the number of employees each organization represents and the total cost of the program for the people they represent, and if the others, not Federal employees, get the raise.

The CHAIRMAN. Did you understand the question?

Will you state it again?

Mr. HOFFMAN. Yes. I would like for each of them to file a statement showing the number of employees for whom they speak, also the cost to the Government for the members of their organization, the additional cost to the Government if the members of their organization get an additional per diem, and the cost, the total cost to the Government, if all the Federal employees who are entitled to it, get it.

You aren't interested in the overall cost to the Government?

Mr. WALTERS. Yes, sir. But I would have to have knowledge of how many days that the members that make up the Council would travel in the next year, and I wouldn't have any knowledge of that unless I got it from the Government agencies.

Mr. HOFFMAN. It would seem to me that one of the basic questions would be how much it would cost because certainly we are interested in whether the Government can keep the obligations which it incurs, and you could use the figure that you had last year for the number of days you had put in last year.

The CHAIRMAN. May I say that I don't think he represents the Government.

Mr. HOFFMAN. No, he represents an organization composed of Federal employees, though, doesn't he?

Mr. WALTERS. Yes, I do.

Mr. JONAS. I think there was some testimony by Mr. Belcher to the effect that it would cost about \$30 million.

Mr. HOFFMAN. I want to know——

Mr. JONAS. Do you want it broken down?

Mr. HOFFMAN. They come in and say they represent so many Federal employees, and I think that one thing that is basic to it is the cost if the employees of that particular group received this added compensation.

Mr. WALTERS. Could I ask one question? Take Mr. Campbell here, who represents 60 or 70 or 80 or 90 people who are scattered in every State in the Union, I just don't see how we could come in here guessing as to how many days or how many trips those people would travel in the next year. And we certainly have no information as to how much they traveled last year.

Mr. HOFFMAN. Then, what your testimony amounts to is that you want a raise, but you don't know what it is going to cost the Government.

Mr. STEWART. The figures have already been inserted by the National Bureau of the Budget as to the overall cost to the Government. Any representative of an employee organization has no means of breaking that down into its application to its own membership. And whether there is 1, 1,000, or 50,000 who may be called upon to travel under official orders, the injustice of an inadequate allowance applies with equal validity.

The overall cost is furnished from official sources, that is the only place that can be done. Organizations have no occasion to make any such breakdown even if they have the facilities for acquiring that information.

Mr. HOFFMAN. Then, what it amounts to is that these gentlemen just advocate an increase in the per diem pay?

The CHAIRMAN. These gentlemen will testify by filing their statements on the bills before us.

Are you satisfied?

Mr. HOFFMAN. I thank you.

Mr. STEPHENS. At the end of my statement I should have made mention of the fact that representatives of two international unions of the American Federation of Labor who are unable to be present this morning asked me to signify the desire of their organizations to support the bill that I have supported. Those are the International Association of Bridge, Structural and Ornamental Iron Workers, A. F. of L., and the International Brotherhood of Boiler Workers, Iron Ship Builders, Blacksmiths, Forgers and Helpers of the American Federation of Labor.

The CHAIRMAN. Thank you. That will be noted.

Unless there is objection, I would like to introduce for the record certain documents received by the committee from various departments of the Government, at this point.

(The documents referred to, from the Department of Labor, Treasury Department, Postmaster General, and Department of State, are as follows:)

SUBSISTENCE EXPENSES AND MILEAGE ALLOWANCES

DEPARTMENT OF STATE,  
Washington, April 26, 1955.

HON. WILLIAM L. DAWSON,  
*Chairman, Committee on Government Operations,  
House of Representatives.*

DEAR MR. DAWSON: Reference is made to your letter of March 16, 1955, requesting comments of the Department of State on H. R. 4918, a bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes.

We believe that the current maximum per diem rate of \$9 does not permit adequate reimbursement to many officials who are required to engage in official travel and the Department is therefore in favor of an increase in the per diem rate.

A check made of costs in the Washington area by the Department as late as November 1954 would indicate that a rate of \$13 may be too low in exceptionally high cost areas. Since the bill under consideration provides for relief where officials travel under unusual conditions, the Department supports its proposal of \$13 as a maximum per diem rate.

In view of the several exceptions to the \$10 rate allowed to persons who serve on a without-compensation basis, among them the \$15 rate permitted in the Department of State to individuals who serve in an advisory capacity in international conference matters, the Department supports the proposal to increase this rate to \$15 for travel within the United States. For travel outside the United States, it is our understanding that the maximum per diem rates established by the Bureau of the Budget would apply to these persons.

There is no objection to the proposal regarding the travel rates for civilian employees who travel as witnesses on behalf of the United States.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report and that enactment of H. R. 4918 would be in accord with the program of the President.

Sincerely yours,

THRUSTON B. MORTON,  
*Assistant Secretary*  
(For the Secretary of State).

POST OFFICE DEPARTMENT,  
OFFICE OF THE POSTMASTER GENERAL,  
Washington 25, D. C., April 26, 1955.

HON. WILLIAM L. DAWSON,  
*Chairman, Committee on Government Operations,  
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for reports on H. R. 3950 and H. R. 4169, identical bills to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

You also requested a report on H. R. 4918, a bill "To amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes." It is understood that H. R. 4918 is the Administration's bill and is in accord with the program of the President.

This Department is opposed to the enactment of either H. R. 3950 or H. R. 4169 which provide for an increase in the per diem allowance under section 3 of the Travel Expense Act from \$9 to \$15. H. R. 3950 and H. R. 4169 also provide increases in the mileage allowances for privately owned motorcycles, from 4 cents to 6 cents per mile, and for privately owned automobiles from 7 cents to 12 cents per mile.

It is the view of this Department that the increase of the maximum subsistence allowance from \$9 per diem to \$15 per diem is overgenerous. It would result in an unjustifiable increase in the administrative costs of the Department.

It is believed that a maximum of \$13 per diem as proposed by H. R. 4918 is adequate to meet the normal expenses of officials occasionally required to travel. This Department would continue to exercise administrative discretion to pay less than the maximum to employees who regularly travel in the performance of their duties.

The increase in the mileage allowance proposed by H. R. 3950 and H. R. 4169 also is believed to be too great. Studies by the National Industrial Conference Board indicate that the present allowance of 7 cents a mile is adequate to com-



pensate employees who use privately owned vehicles in lieu of commercial facilities. In no case should the rate paid exceed the cost by common carrier.

It is estimated that the enactment of either H. R. 3950 or H. R. 4169 could increase annual postal expenditures in excess of approximately \$640,000 for per diem allowances, and \$435,000 for mileage allowances, or a total annual additional cost of \$1,075,000.

H. R. 4918 would authorize the granting of a per diem allowance up to \$13. This amount could be exceeded in certain cases and pursuant to Bureau of Budget regulations.

This Department favors H. R. 4918. It is estimated that the enactment of H. R. 4918 would increase postal expenditures by at least \$435,000 per annum.

The Bureau of the Budget has advised that there would be no objection to the presentation of this report to the committee; that enactment of H. R. 4918 would be in accord with the President's program.

Sincerely yours,

C. R. Hook, Jr.,  
Acting Postmaster General.

TREASURY DEPARTMENT,  
Washington, April 25, 1955.

HON. WILLIAM L. DAWSON,  
Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of April 13, 1955, extending an invitation to appear at hearings on April 26, 1955, on H. R. 3950, H. R. 4169, and H. R. 4918, relating to an increase in the maximum per diem allowance for Government employees.

While we greatly appreciate the invitation, I regret that I will be unable to appear at the hearings. However, it is hoped that the attached statement will be helpful to your committee in its consideration of the matter.

Very truly yours,

G. M. HUMPHREY,  
Secretary of the Treasury.

STATEMENT OF THE TREASURY DEPARTMENT ON H. R. 3950, H. R. 4169, AND  
H. R. 4918, RELATING TO AN INCREASE IN THE MAXIMUM PER DIEM ALLOWANCE

H. R. 3950 and H. R. 4169, which are identical bills, would increase from \$9 to \$15 the maximum per diem allowance for civilian Federal employees while traveling on official business within the continental United States. They would also increase from 7 cents to 12 cents the maximum mileage rate for use of privately owned automobiles for official travel and from 4 cents to 7 cents the maximum mileage rate for the use of motorcycles.

H. R. 4918 would increase from \$9 to \$13 the maximum per diem allowance and would grant discretion to the heads of agencies, subject to regulations of the Bureau of the Budget, to pay actual expenses where, because of unusual circumstances, the per diem allowance would be much less than actual expenses. In addition, it would increase from \$10 to \$15 the maximum per diem allowance for persons serving without compensation or at the rate of \$1 a year and would provide per diem for those individuals at rates paid to other Federal employees for travel outside the continental United States.

Of the three bills, the Department understands that H. R. 4918 incorporates recommendations made by the Bureau of the Budget after a governmentwide survey of per diem and subsistence allowances. The Department, therefore, recommends the enactment of H. R. 4918, rather than the other two bills.

Experience in the Department has demonstrated that under existing conditions it is necessary to pay a minimum of about \$6 per day for a hotel room. In many cases, it is not unusual to pay from \$7 to \$10 a day for a hotel room. For meals, a minimum of between \$4 and \$5 is necessary. Employees also have additional expenses for laundry, tips, and other items. It is thus clear that the present maximum rate of \$9 a day per diem is inadequate under prevailing price levels and the employees in many instances suffer a personal loss.

As a specific example of the inadequacy of the existing rate for per diem, the case of the Secret Service agents engaged in the protection of the President may be cited. When traveling by Presidential train, the prices of the meals aboard the train are comparable to prices in expensive restaurants. When the President

stays at a hotel, the agents must necessarily be in rooms near the Presidential suite. The daily cost of an agent's hotel room in those circumstances consumes the major portion of the agent's per diem allowance, even when more than one agent occupies the same room. Agents assigned to accompany the President thus are often required to spend their personal funds for a portion of their subsistence expenses. On extended trips, the monetary loss to these agents may be considerable. The practical effect is that Secret Service agents assigned to Presidential-protection duties suffer a reduction in salary.

In the administration of the higher per diem rate that would be established by H. R. 4918, the Department would not automatically increase the per diem allowance to the maximum rate. Per diem would be paid on a varying scale, depending on the circumstances and conditions under which the travel is performed. For example, many Treasury employees travel in rural areas where the cost of lodging and meals are less expensive than in urban areas, and the per diem rate would be established accordingly. It would be the Department's policy to use such rates as would protect the interests of both the Government and the employee.

With respect to the treatment of per diem for income-tax purposes, the income-tax regulations (Regulations 118, sec. 39.23 (a)-2) require an individual who receives a salary and also an allowance for meals and lodging, as, for example, a per diem allowance in lieu of subsistence, to include the amount of the per diem allowance in gross income. However, the cost of such meals and lodging may be deducted from gross income. The regulations also require the taxpayer to attach a statement to his return in support of any such deductions showing, among other things, the total amount of expenditures incident to meals and lodging while absent from home on business. The regulations further provide that the employee, if requested to do so, must substantiate deductions by evidence showing in detail the amount and nature of the expenses incurred.

The Internal Revenue Service has not made any study and has not compiled any statistics from the income-tax returns of Federal employees which would reflect the experience of such employees with the present rate of the per diem allowance. To obtain such information, a special study would be necessary which would entail obtaining from each agency a list of names and addresses of employees who receive reimbursement for travel, selecting a representative sample of those employees and withdrawing their returns, developing a report form, entering the information on the form, in the district offices, forwarding the forms to the national office, and preparing tabulations and analyzing the results.

If such a study were made, it would take several months to complete and there would be doubt as to whether the study would form a valid basis for evaluating the adequacy of the present per diem allowance. In completing tax returns, not all employees would handle per diem in the same manner. It is to be expected that some employees who receive a per diem allowance would report as a deduction an amount equal to the amount of per diem received and would not claim as a deduction subsistence expenses in excess of the amount of per diem. It would not be possible to distinguish those cases from cases where the amount received was actually the amount expended.

DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, April 15, 1955.

HON. WILLIAM L. DAWSON,  
Chairman, Committee on Government Operations,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN DAWSON: This is in further response to your requests for my views on H. R. 4918, a bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses and for other purposes, and H. R. 3950 and H. R. 4169, bills to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Federal Government.

Experience has demonstrated the inadequacy of the present maximum per diem allowance. Many employees find it necessary to supplement their official travel allowances with personal funds to meet legitimate travel expenses. An increase in the maximum per diem allowance to \$13, as proposed by H. R. 4918, to carry out the President's recommendation in this regard, has my full support. I also approve of the provision in H. R. 4918 authorizing reimbursement for actual and necessary expenses of travel (up to a maximum amount specified in

the travel authorization) in unusual circumstances where the per diem allowance would be much less than those expenses. I do not consider, however, that a 66%-percent increase in the per diem allowance, from \$9 to \$15, as proposed by H. R. 3950 and H. R. 4169, is justified.

Present travel costs also require that the maximum per diem allowance for civilians performing work for the Federal Government without compensation be revised upward. An increase in this allowance for official travel by these Federal employees within the limits of the continental United States from \$10 to \$15, as provided in H. R. 4918, is reasonable.

The proposal contained in H. R. 4918 for regulation of travel rates for civilian employees who travel as witnesses on behalf of the United States by the Travel Expense Act of 1949, as amended, rather than by separate legislation, appears to be appropriate, and I have no objection to its enactment.

Our information does not disclose need at this time for the changes proposed by H. R. 3950 and H. R. 4169 in the mileage allowances for use of private motor vehicles in official travel.

The Bureau of the Budget advises that it has no objection to the submission of this report and that enactment of H. R. 4918 would be in accord with the program of the President.

Sincerely yours,

JAMES P. MITCHELL, *Secretary of Labor.*

The CHAIRMAN. And if there is no further business, we will stand adjourned. And we will have copies of the testimony presented for your perusal and the persual of the other members, Mr. Jonas. And we will meet to discuss the matter.

Thank you very much for your patience.

We trust further that you will bring forth the proper legislation.

We are adjourned.

(Whereupon, at 12:35 p. m., the subcommittee adjourned.)

X

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## CONGRESSIONAL RECORD — SENATE

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Mr. CHAVEZ. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CHAVEZ. As I understand, this bill takes care of travel allowances for Government employees.

Mr. JOHNSTON of South Carolina. It does.

Mr. CHAVEZ. What about committee employees? Does it take care of them?

Mr. JOHNSTON of South Carolina. This bill does not take care of them, but I understand that the Appropriations Committee will deal with that subject. It usually maintains such allowances at the same level as those in the law.

Mr. CHAVEZ. Allowances for committee employees are handled through the Legislative Appropriation Act.

Mr. JOHNSTON of South Carolina. That is true.

Mr. CHAVEZ. As I understand, the bill does not take care of committee staff members who may have to travel on committee business.

Mr. JOHNSTON of South Carolina. It does not, I hope the Senator, who is a member of the Appropriations Committee, will see that this subject is properly handled in the Appropriations Committee.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

## ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. McCARTHY. Mr. President—

Mr. CLEMENTS. Mr. President—

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. CLEMENTS. Mr. President, I have advised my friend from Wisconsin what the acting majority leader's plans are. I am sure that he will share his plans with me.

We have no legislative business to consider today, unless the conference report on the public works appropriation bill is acted upon by the House. It is the plan of the acting majority leader to move a recess subject to the call of the Chair.

It is my understanding that a yeand-nay vote will be taken in the House this afternoon when the conference report on the public works appropriation bill is presented, and that when the necessary formalities are concluded the conference report can be submitted to the Senate and acted upon this afternoon. It is a very important measure. Many Senators expected that it would be acted upon either yesterday or today.

With that explanation to my friend from Wisconsin, I thought perhaps he might advise me what his plans may be. We shall be glad to make every reasonable effort to accommodate the Senator from Wisconsin.

## STATEMENT BY SENATOR McCARTHY BEFORE SENATE FOREIGN RELATIONS COMMITTEE

Mr. McCARTHY. Mr. President, I have no plans for speaking today. My plans will depend largely upon what the Senate Foreign Relations Committee does with respect to the two resolutions which are pending before it.

I note the presence in the Chamber of the minority leader [Mr. KNOWLAND] so apparently the meeting of the Senate Committee on Foreign Relations has been concluded.

I ask unanimous consent to have printed in the Record at this point as a part of my remarks the statement which I made before the Senate Foreign Relations Committee this morning.

There being no objection, the statement was ordered to be printed in the Record, as follows:

## STATEMENT OF SENATOR JOE McCARTHY BEFORE SENATE FOREIGN RELATIONS COMMITTEE ON SENATE RESOLUTION 126, JULY 13, 1955

Mr. Chairman, I thank the committee for hearing me today. Let me say, first of all, that I am happy the subject of the Communist-enslaved peoples is again before this committee. I think that most of us believed, and we certainly hoped, the subject would get another airing after the unfortunate impression that seems to have spread through the world in the wake of the defeat of Senate Resolution 116.

The question now before the committee is how far, in its opinion, the Senate ought to go in expressing its views about liberation. The committee has before it two resolutions which suggest different approaches to the problem. I trust the committee will permit me to comment on both of them, since they deal with the same problem.

I shall not speak against adopting the Knowland-Clements-George-Wiley resolution: No one can do that and hang onto his virtue. I do think, however, that there is a serious defect in the Knowland resolution, which the committee ought to correct. I believe, further, that the committee should recommend steps for implementing the Knowland resolution, which, I suggest, are the measures called for by my resolution.

The Knowland-Clements-George-Wiley resolution has, as I see it, one glaring omission. As if by oversight, there is no mention of communism, or of the Soviet Union, or of the Iron Curtain, or of any other word that specifies what the resolution is presumably talking about. The omission, of course, was not an oversight; and I urge the committee to do some hard thinking about the reasons for the omission.

I am sure that if Senator KNOWLAND had had his way, the resolution would read quite differently. Perhaps the same is true of the other sponsors. I do not attribute the wording to them. This is an administration resolution, and the reason for the language is very clear: The administration wants to avoid giving offense to the Soviet Union. The administration is, to be sure, indignant over the fate of the captive peoples, but not so indignant as to risk identifying the tyrants by name.

Now, I ask the committee to consider from two points of view the administration's unwillingness to allude to communism. First, from the point of view of whether the Senate still functions as an independent body: Three weeks ago the Senate was told by the administration that we should not recommend that this country secure the Soviet

Union's commitment to discuss the satellites prior to Geneva. That word was passed down directly to this committee. The Senate acquiesced. Then the Senate was advised that it should not even express its hope that the President would bring up the satellite question at Geneva. Although the President and the Secretary of State were in complete sympathy with the humanitarian objective of my resolution concerning the satellites, the administration said we would be tying the President's hands if we said we hoped he would pursue those objectives. Again, the Senate knuckled under.

Then, we asked—and I refer the committee to the transcript of its hearings on June 21 at the point when I was questioning the Under Secretary of State—we asked if the Senate might not, please, be permitted to express its sympathy with the ultimate humanitarian objective of the satellite resolution. "No," said the administration. "You had better not do that, either." Dutifully, the Senate did not do that, either.

Still, we asked—and I refer the committee to the transcript of its hearings on June 21 at the point when I was questioning the Under Secretary of State—we asked if the Senate might not, please, be permitted to express its sympathy with the ultimate humanitarian objective of the satellite resolution. "No," said the administration. "You had better not do that, either." Dutifully, the Senate did not do that, either.

Now I submit that this is no caricature of the administration's relations with the Senate on this question. I urge this committee to give very serious thought to how long the Senate should jump through every hoop the administration puts in front of us. Moreover, I suggest this last instance is pretty clearly a case wherein the Kremlin itself makes the marginal decision. The Senate, let us assume, wants to call a spade a spade and condemn Communist tyranny. The administration, let us hope anyway, would also like for the Senate to do this, but fears that plain language would bring forth an unfavorable reaction from Moscow. The Soviet Union is thus, in effect, given a veto over how the United States Senate expresses itself on the question of the satellite countries.

Now it is clear why a resolution of the KNOWLAND type is not intolerable to the Communists. Words like "imperialism" and "despotism" are not necessarily equatable with "communism"; and in the Communist vernacular, such language can be taken as a condemnation of British imperialism in the Near East, of French "despotism" in Indochina—or, if you please, a condemnation of certain American policies as they are seen in Communist eyes. Such language, in other words, means different things to different people and thus, in real effect, means nothing.

Now, consider this language from the second point of view—that of how it will be received by the freedom-loving people of the world. Generalities like "imperialism" and "despotism" have been selected by the administration because it thought they would be palatable to the Soviet Union. But by the same token these words are hollow and meaningless in the eyes of the people on whom they are supposed to have a propaganda effect. Just to the extent the language of the resolution is tolerable to the Communists, just to that extent it will be useless as a propaganda weapon. Surely none of us is so naive as to believe that the free peoples of the world will fail to catch the

significance of the omission of any mention of communism or of the Soviet Union.

Therefore, I suggest that the committee report favorably on the Knowland-Clements-George-Wiley resolution, but with the following amendments: In the first clause of the preamble, substitute the word "Soviet" for the word "totalitarian"; in the second clause of the preamble, substitute the words "the Soviet" for the words "an aggressive"; and in the resolving clause, substitute the words "Soviet despotism" for the words "alien despotism."

I would prefer the word "Communist" to "Soviet"; but this would bring Yugoslavia into the purview of the resolution which, I take it, was not the intention of the resolution's sponsors.

The members of the committee may feel these amendments are unnecessary. I expect to hear the objection that: "Everyone knows we are talking about the Soviet tyranny in the Communist slave states." My answer is, first: if everyone knows this, then surely there is no harm in saying it; and second, that the only reason for not saying it is that it is desired the resolution be ambiguous.

Now let me turn to the resolution I have submitted. As I have said, I see no harm in adopting the Knowland resolution properly amended—provided we do not let the matter drop at that. I said on the Senate floor 2 days ago that "We will make no real progress toward the goal of liberation, nor will we succeed in convincing either the slaves of the tyrants that we mean business, if we content ourselves \* \* \* with pious statements, dripping with humanitarian concern for oppressed peoples, but containing not the slightest hint of concrete measures for unhorsing the tyrants. \* \* \* We invite (the world) to conclude \* \* \* that the American Government's concern for oppressed peoples is a cheap politician's concern about how Americans of Eastern European descent will vote in the next election."

We must, in other words, take positive steps toward the liberation of the captive peoples. I think it goes without saying that we cannot move 1 inch forward so long as we recognize the Soviet puppet governments as the official representatives of the captive peoples. Indeed, every day we do so, we take an additional step backward; for we give just that much additional strength, stability, and dignity to the Communist regimes. It is utterly contradictory for us to talk, as the Knowland resolution does, about hoping that the enslaved peoples shall again enjoy the right of self-determination—while we give official recognition to the very men who are preventing that right of self-determination from being exercised.

I assume the members of the committee do not need to be reminded that these several Communist gangs were handpicked for the job by the Soviet Union—that the "governments" they now dominate were forcibly imposed against the will of the Eastern European peoples. But if we are to consider the question of recognition, I think we have clearly in mind the backgrounds of the puppet regimes. So let me trace briefly the Communist takeovers in each of these countries. This picture is set forth in great detail in the several reports of the House Select Committee on Communist Aggression, published this year. I shall, in some instances, use the Select Committee's language verbatim.

Let us turn first to Poland. When the Nazis drove the Red Army out of Poland in 1941, the Polish Communist Party was split into two segments. One, called the Polish Workers Party, remained in Poland as an underground resistance group, working under direct control of the Kremlin. Its assignment was to set up Communist cells in the loyal underground, to denounce uncooperative elements of the loyal underground to

the Gestapo, and lay the groundwork for postwar control of the government. The second segment migrated to Russia with the Red Army and was set up in Moscow as a planning and propaganda unit.

In July of 1944, after the Red Army had reconquered the eastern half of Poland, the Moscow and the underground units of the party, together with the Red Army, established the Polish Committee of National Liberation. The committee was given "legal and provisional executive authority in all liberated territory." Leaders of the committee were all members of the Moscow section of the Polish Communist Party. The committee proclaimed itself the provisional Government of Poland on December 31, 1944, and then proceeded to cede eastern Poland to the Soviet Union.

This was the government which Roosevelt and Churchill, at Yalta, agreed should form the basis of a new Polish government. The new coalition government was supposed to include non-Communist Poles "from Poland and abroad"; but by June of 1945 most of the leading non-Communists in Poland were dead, in jail, or deported. Out of 24 cabinet posts in the "coalition government," 21 were given to Communists. The Communists were, of course, in complete control. "Free" elections were then called for.

The Communists had control of the administration and the electoral machinery for the election of 1947. They were free to cancel or alter the voting list of the Polish Peasants Party, headed by Mikolajczyk, the leader of the former London government-in-exile. The secret police freely liquidated the opposition. The voting was often by open ballot; it was everywhere conducted under the watchful eye of the Red Army, in polling places manned by Communists. The votes were counted by Communist-controlled election boards.

The rigged elections took place, and the Communists won by a ratio of 15-1. When the new government was formed in February 1947, it did not include a single non-Communist. By May 1949 all anti-Communist leaders were dead, deported, in jail, or had fled the country. Poland was now a helpless Soviet puppet.

The Czechoslovakian Communist Party operated similarly to the Polish Party during the war. In Czechoslovakia, as in Poland, the Soviet Union maintained both a Communist underground in Czechoslovakia and an informal puppet group in Moscow, headed by Klement Gottwald. When the Red Army invaded eastern Czechoslovakia in 1944, a Soviet-inspired liberation movement took control of Slovakia. In 1945, President Benes flew from London to Moscow to set up a coalition government with the Communists.

Let us turn now to Hungary. Communism, as a political movement in Hungary, had been almost nonexistent since the days of the short-lived Bela Kun Communist government of 1919. The Communist leaders selected for Hungary had spent the 26 years preceding the takeover in Moscow under Communist tutelage or in Hungarian prisons as offenders against the peace and security of the state. They returned to Hungary with the Red Army, armed with instructions to capture the state.

In January 1945, the Communists launched an intensive but careful campaign for the subjugation of the state. A Communist was appointed to head the Hungarian trade-union movement and promptly usurped all power. Next, the Ministry of Internal Affairs and the control of the police were given to a pro-Communist member of the Peasants Party. While a member of the Smallholders Party became Minister of Defense, the organization, distribution, and command of the army actually rested with the Red Army.

All undemocratic elements were screened in the public service, the professions, and private industry. An economic stranglehold

obtained by the removal of Hungarian machinery forced economic cooperation and the establishment of joint Soviet-Hungarian companies.

Feeling safe in their methods and confident of their power the Communists agreed to the popular demand for elections. Surprisingly, however, the Smallholders Party won the national election. It was a brief moment of triumph for the forces of freedom. But the Russians systematically sabotaged the Smallholders government. The party in power was forced to oust deputies to prevent acts of Red terror and preserve what little remained of the Hungarian economy. Under pressure by the forced coalition government, made necessary by Marshal Voroshilov's rulings and the constant threats and sabotage by the Soviet Union, the Smallholders Party was forced into an untenable position.

A general conspiracy charge was leveled at the non-Communist deputies and wholesale investigations were made by the Communist police. Confessions, forged or obtained under torture, began to appear and more and more deputies to disappear. Finally the leaders of the Smallholders Party were arrested and tortured into admitting a conspiracy against the people. Ferenc Nagy, the Premier, left the country in May 1947. Finally the 1949 election had only one single party list of candidates. Following the "elections" Hungary passed behind the Iron Curtain as the Hungarian Peoples Democracy.

In Rumania there were only 750 Communist Party members out of a population of 16 million people, when the Russians entered Rumania on August 23, 1944.

The initial phase was one of military invasion and occupation during which the legal government, intellectuals, and other high government officials were deported or executed. But because the Soviet Union could produce no native Communist capable of holding the premiership, close coalition with Rumanian parties was required.

A coalition cabinet was formed under the leadership of a Rumanian general, Sanatescu. The Communists assumed the Ministry of Justice, Public Works, and Communications and subsequently the Ministry of Interior. All leftwing parties were merged into a National Democratic Front. By virtue of their cabinet posts the Communists had an iron grasp on all railways, food supplies, medicines, and communications.

Communist pressure and manipulation then forced a redistribution of the usable land which effectively destroyed Rumanian food production. It is estimated that between \$1 billion and \$2 billion worth of goods were removed from Rumania by the Soviet Union. This included food, cattle, farm equipment, machinery, etc. With the Rumanian economy smashed the Communists were ready for the next step.

The stage was ready for a fraudulent election. One witness testified that in the village where she lived 100 percent of the people voted against the pro-Communist government coalition, yet the official reports indicated a 90-percent majority for that element. Opposition leaders charged that duplicate ballot boxes had been prepared to be substituted for the legal ballot boxes. Red army soldiers were allowed to vote and trusted pro-Communist elements were permitted to vote 6 or 7 times.

The "free election" of November 1946 gave 3,389,414 votes to the pro-Communist coalition. The way now appeared clear for an open Communist government. But this did not take place. The reason for the Communist delay in taking over became apparent in 1947 when, as a result of Communist looting, the economy of Rumania completely collapsed and grave famines occurred. This was no time for the Communists to make an open declaration of power. But at the height of the famine after securely placing

When the present Congress convened last winter, Senator JOHNSON, beginning just his second term, was majority leader in the upper House, the youngest man ever to hold that office. The Senate is not his first legislative experience. He had served for 10 years before 1948 in the House. Nevertheless, his advance has been extraordinary, and in the majority leadership he has revealed authentic genius in parliamentary maneuver and persuasion.

The political professionals in all factions of both parties have been captivated by the competence of his performance, and the people of the country have begun to join in the admiration he has won from the experts in Washington. Thus the news of his sudden illness at the weekend was a shock to the Nation; the prayer for his speedy recovery is general. His being put out of action for the present is a sharp reminder that the Senate, his party, and the country could not afford to lose him.

For the remainder of the session, Mr. JOHNSON's place will be taken by his chief lieutenant, EARLE CLEMENTS, of Kentucky. Mr. CLEMENTS is himself a legislative technician of uncommon skill. This became apparent to Kentuckians when he served as majority leader of the State senate in 1944. In the National Senate he has lived up to the reputation he made in those days as an astute practitioner of the parliamentary arts. Naturally LYNDON JOHNSON was attracted to him.

[From the Detroit News of July 6, 1955]

#### LYNDON JOHNSON

Majority Leader JOHNSON's sudden heart attack is not so much a threat to orderly accomplishment of present Senate business as it is a shadow on the future.

He is generally conceded to have given his Democratic followers the best Senate leadership they have enjoyed in a quarter century. For 2½ years he has unified them behind a policy of "reasonable opposition" which has benefited both his party and the Nation's business.

Senator JOHNSON is a refreshing departure from the traditional mint-julep Senator from south of the Mason-Dixon line. It is to be hoped that an ailing heart will not limit so promising a career or interfere with the equilibrium he has brought to the world's greatest deliberative body.

[From the Toledo Blade of July 6, 1955]

#### HARMONIZER

Stricken with a moderately severe heart attack at the age of 46, Senator LYNDON JOHNSON of Texas will have to give up active Senate leadership for the balance of this congressional session. Democrats and administration alike have cause to hope his illness will be of a temporary nature.

Senator JOHNSON has done much to help unify the Democratic Party and to restore the dignity of the Senate. A staunch New Deal supporter during the early Roosevelt administration, he has gradually moved over to a position roughly midway between the liberal and conservative branches of his party. By maintaining close ties with Georgia's influential Senators WALTER GEORGE and RICHARD RUSSELL, while helping northern Senators obtain choice committee assignments, campaigning for them in the 1954 elections, and cooperating with them on many legislative proposals, he has helped bring the party to a measure of unity few would have thought possible during the latter years of the Truman administration.

Impatient with windbaggy and with battles for lost causes, one of the Senator's favorite words is "constructive." And apparently he means it, with due regard for the political interests of his party. Where the Democrats could not accept the Eisenhower program as submitted, he has tried

to work out alternative ways of moving toward the same ends. Because of his settled views about the need for preparedness, moreover, he has been able to cooperate with Mr. Eisenhower on nearly all national defense measures.

Senator JOHNSON has been described as "one of the hardest workers on Capitol Hill," as one who "drives himself at a punishing pace," and as "a man in a hurry." He will have to slow down from here on. But if he makes a satisfactory recovery, his harmonizing talents can continue to serve the Nation well.

[From the Providence (R. I.) Journal of July 6, 1955]

#### LET'S HOPE SENATOR JOHNSON WILL BE BACK SOON

The immediate regret is that it should have happened to such a thoroughly nice guy as Senator LYNDON JOHNSON; and the hope is that he will successfully pull through a bad heart seizure and return to his career (with bright promise for a man only 46) of usefulness and reputation.

If the country is now traveling on a course of pleasant waters approximating an era of good feeling, a very considerable share of the credit belongs to Senator JOHNSON. He is a practicing professional politician, in the highest meaning of that term; in the sense that it was applied to the late Senator Taft. His sensitivity to the currents of public feeling advised him that under present circumstances it would be political folly for the Democrats to butt antagonistic heads against the wall of favorable popular sentiment that supports President Eisenhower. The cooperation of the Democratic Party with the Eisenhower administration, as engineered by Senator JOHNSON, has smoothed the way for much of the President's program.

It was the brains, the will, and the measured judgment of Senator JOHNSON that were responsible for this situation. This is not to say that the majority leader had turned Republican or lost the spirit of fight, though certain Democrats lamented his amiable cooperation. In his reckoning, it was the best kind of politics, and it placed the Democrats in a strong position when the bombardment really began. The question that arises is whether, with Senator JOHNSON inactivated, succeeding leadership will take the party on another course.

[From the Marshall News-Messenger of July 6, 1955]

#### JOHNSON CAN MAKE MOST OF ADVERSITY

From all parts of the Nation, sympathy has found its way to Mrs. Lyndon B. Johnson on the occasion of the heart attack suffered by Senator JOHNSON.

Mrs. Johnson, the former Miss Lady Bird Taylor, of Karnack, asked that his friends pray for the Senator's recovery. This they already had done from the moment they heard of his suffering the attack.

Perhaps none in Washington had driven himself to the extent the Senator had moved this year in Washington reconciling differences among party factions, leading a Democratic majority along bipartisan lines with a Republican President, and steering legislation through the Senate.

None moved with such rapidity. None worked more tirelessly. None sought to heal political wounds. None took his work more seriously.

Too, none was more prominently in the spotlight. No less a publication than the U. S. News & World Report only a week before had said the Senator could be on the next Democratic national ticket if he wanted the place. A boomlet had started for him to lead the ticket.

In the meantime, the Senator's friends quietly were working but waiting until 1960, feeling confident that by then the gentle-

man from Texas would be without opposition by the time of the convention and that his being named standard bearer would be but a formality.

Then came the heart attack; but, with it, hospital attendants reported, the Senator was smiling. None doubts the Senator's courage. None doubts his strong, vital physical makeup.

His friends say he will come through; that the heart attack merely will slow his physical efforts; that with the foundation he has built, future physical efforts will yield to mental direction of party affairs.

LYNDON JOHNSON has a way of making the most of any adversity. He becomes stronger with such experiences.

The prayers that he may recover are being offered for a man who is headed with his former Harrison County wife to a residence at 1600 Pennsylvania Avenue—the White House.

[From the Cincinnati Enquirer of July 7, 1955]

#### A SPEEDY RECOVERY

The country, which has observed with approval Senator LYNDON B. JOHNSON's deft management of his Senate majority along a generally constructive path, will wish him a speedy recovery.

President Eisenhower, in spite of his recent exchange of partisan umbrage, will miss Senator JOHNSON's expeditious maneuvering of legislation toward a vote during the remainder of this session.

What this second indisposition in one session will do to Mr. JOHNSON's prospects for vice presidential nomination is anyone's guess. His admirers have been inflating a considerable boom for him as a running mate for Adlai Stevenson next year. His health may now become a subject for consideration.

The fact is, of course, that, under his deceptively calm and amiable manner, Senator JOHNSON has been working at a killing pace. The taming of the majority, which includes many spirited statesmen, was by no means as easy as it looked.

[From the New Orleans Times-Picayune, July 5, 1955]

#### THE ONLY ONE, BUT—

Senator LYNDON JOHNSON's incapacity, whether he is considered as Senator or majority leader, is bad for the Senate, no matter what anyone says. He is too good a man to be lost at any time. It is true, however, that his loss to the Democratic Party, at this stage of the 1955 session, does not compare with the loss to the Republican Party in 1953, only a few weeks earlier, of Majority Leader Taft. Nor is it yet apparent that his role in the Senate as a sort of loyal oppositionist leader concentrating more on getting sensible things done than on political pyrotechnics and "Eisenhower-baiting," will be duplicated by Senator CLEMENTS. The latter, as assistant leader, rises almost automatically to the vacant post.

This doubt was expressed, in an indirect way, by Senator HUMPHREY, who asserted that Senator JOHNSON is the "one man able to hold the Democratic forces together in the Senate and move the program along with ease and relative speed." At the same time, he promised Senator CLEMENTS "our wholehearted cooperation." The irony is that it is the New Dealers, represented by these gentlemen, who have really had to be held somewhat in check to prevent the session's becoming a pop-off political rally along the theme that "Ike isn't doing enough" (to spend money, spread socialism, commit exaggerations on the domestic front). At the same time they and Southern Democrats, unlike some Republicans, have done yoman's work for the President's foreign policies.

Republican Senator Ives is another who says, "The Senate just can't spare LYNDON JOHNSON—a really heartfelt tribute, especially when you consider that Senator JOHNSON never hesitated to take his "lambasting" gloves off whenever Republicans intimated that the Senate, and the Presidential program, not to mention the GOP, could very well spare the whole Democratic membership.

The aim has been for congressional adjournment by the end of July, predicated on winding up the important national measures. It's also possible for Congress to adjourn by the end of July, having done nothing but talk. It's too early to deplore. A hope for the best and for the best in Senator CLEMENTS is decidedly in order.

[From the Buffalo Evening News of July 5, 1955]

#### SENATE WILL MISS HIM

The serious illness of Senate Majority Leader LYNDON JOHNSON, of Texas, is a loss not only to his party in Congress but to the Senate, and the Nation. Serving in what is undoubtedly the most exacting role on Capitol Hill, he has shown a parliamentary brilliance and a talent both for composing intra-party differences and for expediting the business of the Senate that has rarely been matched in recent years.

In the last Congress, he was nominally the minority leader, but his minority became in fact a bare majority after the death of Senator Taft. Since the start of the present Congress last January, he has been majority leader in name as well as fact and has performed the assignment under the most difficult circumstances possible. As the leader of the majority in opposition to a popular President, he has not only had to choose when to cooperate and when to oppose the administration, but in charting his strategy he has had to carry with him a party normally more divided than united.

That he has succeeded in a way to win praise from every faction in both parties is a measure of the Senate's loss for the rest of this year's session, and also a measure of the Democratic Party's concern lest he be unable to resume his service during the crucial election-year session next winter. We join his colleagues of both parties in wishing him a swift recovery.

[From the Chicago American of July 6, 1955]

#### JOHNSON'S ILLNESS

The illness of Senator LYNDON JOHNSON strikes at a most inopportune moment. In the 84th Congress, LYNDON JOHNSON of Texas, has been a leader of Republicans as well as his own party.

His support of President Eisenhower has been more effective than that of any Republican. His opposite number on the Republican side, Senator WILLIAM KNOWLAND, of California, has often been opposed to the foreign policies of the Eisenhower administration, but Democrat JOHNSON has been a tower of strength to the President.

LYNDON JOHNSON, in recent months, has often been mentioned as the probable Democratic candidate for Vice President. Democrats, concerned over the defection of Texas in 1952, have regarded JOHNSON as a gift from heaven, a Texan with an exceptionally good record in Congress.

It was believed that his nomination was inevitable, particularly if Gov. Averell Harriman, of New York, were nominated for the Presidency.

The toll that congressional work takes out of those who really tend to business is greater than the people realize.

It can only be hoped that the present illness of Senator JOHNSON of Texas, will not be the end of a brilliant and useful career.

[From the Oregonian of July 4, 1955]

#### LYNDON JOHNSON'S ILLNESS

The serious heart attack which has put Senator LYNDON B. JOHNSON, of Texas, out of action for the remainder of the session, at least, is bad luck for the Nation as well as to him and his family. As majority leader of the Senate, the 46-year-old Texan has distinguished himself as an astute and conscientious composer of differences not only between a Democratic Congress and a Republican Executive but among factions of Democrats.

Things have gone so smoothly in Congress under his guidance that a strong movement was developing, particularly in the South, to bring his name before the national convention next year as a nominee for President. This movement will end. The party and the voters would not risk nominating and electing a President with a bad heart. Good health is a top consideration for that grueling post of world responsibility.

In his 18 years of service in House and Senate, LYNDON JOHNSON has won the confidence of his colleagues in both parties. His national stature has increased as he demonstrated temperate and conservative leadership in healing the 1952 breach between Democrat liberals of the North and West and the conservative Democrats of a no longer solid South. His support of President Eisenhower on vital foreign issues, and some domestic programs, and his relations with Vice President Nixon added to his reputation. The Oregonian wishes him a speedy recovery and longer service.

[From the Wilmington (Del.) Journal Every Evening of July 5, 1955]

#### MAY HIS RECOVERY BE SPEEDY

The heart attack which felled Senator LYNDON B. JOHNSON of Texas, over the Fourth of July weekend and threatens to keep him out of action for an indefinite period is a heavy blow not only to the Democratic Party but to the Nation as a whole. As majority floor leader, Senator JOHNSON has displayed not only remarkable qualities of leadership but a high sense of responsibility for the welfare of the country. Against the advice of the more violently partisan members of his own party, he has hewed consistently to the line that sound statesmanship is the best kind of politics and that the Democrats stand to gain more by cooperating with President Eisenhower, where his policies are acceptable to them, than by opposing and frustrating him at every turn.

As a result of this leadership Mr. Eisenhower has had remarkable success in getting his legislation through a Congress, particularly in the field of foreign affairs, even though the Democrats have a majority in both Houses. Despite the differences between the two and their fairly frequent clashes, Senator JOHNSON, in his role as leader of a "constructive opposition," has been one of the President's most effective aides. If one of the Texan's major motives has been political—to strengthen the Democratic position for the presidential campaign ahead—there is no doubt that the country has benefited from his type of leadership.

His political opponents as well as his friends join today in hoping that Senator JOHNSON recovers speedily. Fortunately, his work for the current session is largely done. But it will be a serious loss to his party and to his country if he is not able to resume his active leadership again when Congress reconvenes next year.

**THE VICE PRESIDENT.** Is there further morning business?

**MR. CLEMENTS.** Mr. President, I suggest the absence of a quorum.

The Chief Clerk proceeded to call the roll.

**MR. CLEMENTS.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER (Mr. SCOTT in the chair).** Without objection, it is so ordered.

#### AMENDMENT OF TRAVEL EXPENSE ACT OF 1949—CONFERENCE REPORT

**MR. JOHNSTON** of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6295) to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes. I ask unanimous consent for the present consideration of the report.

**THE PRESIDING OFFICER.** The report will be read for the information of the Senate.

The Legislative Clerk read the report. (For conference report, see House proceedings of July 11, 1955, p. 8775, CONGRESSIONAL RECORD.)

**THE PRESIDING OFFICER.** Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

**MR. JOHNSTON** of South Carolina. Mr. President, the bill is now in the same form as that in which a similar Senate bill was passed by the Senate and sent to the House. Later the House passed House bill 6295 and sent it to the Senate. The Senate amended it so as to correspond with the bill which had already passed the Senate, and sent it back to the House. There was a conference. The conferees have agreed upon the bill as it passed the Senate, so I do not think there will be any question about approving the conference report.

**THE PRESIDING OFFICER.** The question is on agreeing to the conference report.

**MR. CURTIS.** Mr. President, will the Senator yield?

**MR. JOHNSTON** of South Carolina. I yield.

**MR. CURTIS.** As I understand, the bill involves an increase in per diem and travel allowance for Government employees.

**MR. JOHNSTON** of South Carolina. Yes. The increase in the subsistence allowance is from \$9 to \$12. The figure in the House bill was \$13.

**MR. CURTIS.** And the Senate version prevailed?

**MR. JOHNSTON** of South Carolina. Yes. The Senate allowance for mileage also prevailed.

**MR. CURTIS.** What is the figure for the mileage allowance?

**MR. JOHNSTON** of South Carolina. The mileage allowances were increased from 4 cents and 6 cents to 7 cents and 10 cents, respectively, to correspond with increases in salaries.